A WORLD TRANSFORMED

FOREIGN AFFAIRS

Fall 1990 *$6.95 a copy*

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PAUL H. NITZE

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EDITOR'S NOTE

The Iraqi crisis could not have come at a worse—or a better—time for the United States. It struck when the politics of the world were in transition. The aims of American policy following the end of the Cold War were still under debate when Saddam Hussein's tanks rolled into Kuwait. The ensuing crisis clarified some important issues, even as it continued to unfold.

The overriding foreign policy questions of the last year have concerned the shape of the post-Cold War world, and America's role in it. Many were speculating on a new, more benign international order and the corresponding chance to transfer much of America's burden to others.

The Iraqi crisis makes clear three points. First, the world remains dangerous, and American interests remain vulnerable. Second, the United States continues to be the leading global power. Finally, the United States, for all its might, cannot and should not act alone.

In the past year the world has changed to a remarkable degree. Moscow and Washington are truly acting together for the first time since World War II. The United States is talking with Vietnam about the situation in Southeast Asia. The African National Congress has suspended its guerrilla war in South Africa, and German unification is only a short time away. However, even though the superpowers have been acting in concert, they can no longer dictate events, nor can they hope to deter completely the threat posed by rogue middle powers such as Iraq.

The struggle for power in various parts of the world goes on. The United States cannot abdicate leadership in favor of a still-inchoate global community. Had President Bush not taken the initiative in responding to the Iraqi crisis, would Europe and Japan have imposed an embargo? Would the United Nations Security Council have condemned Baghdad without dissent and voted for sanctions?

Since the first oil crisis of the 1970s the world has become more interdependent. Small, weak countries are particularly vulnerable to a manipulation of oil prices and supplies, which can threaten the stability of new democratic governments. But perhaps more worrisome, an oil crisis might ignite a world depression, which, as in the 1930s, could produce a new generation of demagogues and dictators. Global instability, as well as aggression, are major concerns in the Gulf crisis.

If, however, the U.S. goal is to stabilize the international order, it will have to consider the implications of greater dependence on the support and cooperation of other nations. For example, the agreement between Saudi Arabia and the United States to permit the deployment of American combat troops near the Gulf is surely one of the more significant events of the postwar period, but what are its longer-term consequences for American policy in the region? For the first time, the Soviet Union, China and the United States have adopted the same position in the Middle East; is such a consensus to be a prerequisite for action in the next stage of this crisis, and in the future?

Iraq's invasion was a flash of lightning illuminating the domestic defense debate. Without the overwhelming threat of the Soviet Union, defense spending can and will be cut. But the Iraqi crisis makes it obvious that our

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first line of defense outside of Europe is naval and air power, and that the United States does not have the capability to respond quickly to distant crises that require large ground forces. The Iraqi crisis ought to permit a pause in the defense debate, which is driven by budgetary pressures, and allow future defense policy to be sorted out in the interest of national security.

The crisis raises a more troubling question. Is the United States veering dangerously close to assuming the role of world policeman? Stopping an expansionist power in a region of vital interest is a legitimate aim, but making the world safe from aggression or preserving collective security are far more ambitious goals. They require an international consensus that may be difficult to mobilize in future crises when the common denominator of oil is not involved. How much support would there be in Europe for "collective security" if and when Israel is again threatened?

In this issue of *Foreign Affairs*, we have included a special section on "A World Transformed," a collection of essays that examine the issues confronting the United States in the new era that is opening. (These essays were written, of course, before the Iraqi crisis.) The debate on America's geopolitical role is analyzed by Robert Tucker, who writes: "The peacekeeping role we are now urged to pursue is one that is directed no longer against a particular state or states, but against disturbers of the peace regardless of their identity. Accordingly, the interests that are served by accepting this peacekeeping role are those of the international community as a whole."

Drawing on his long experience at the center of American policymaking, Paul Nitze offers the following advice: "In a world of growing interdependence, where even the problems of distant neighbors are increasingly our own, it is not now the time for the United States to retreat from the world stage."

These points seem well taken indeed.

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Paul H. Nitze

AMERICA: AN HONEST BROKER

Each of us has experienced the phenomenal central European revolution of 1989, its preliminaries in Poland and its continuing aftermath, particularly in Germany and the Soviet Union. But each has done so from his or her own window on the world.

Having spent much of my life as a policy planner, I tend to focus on the future, on what lies ahead, on what is desirable and perhaps practical, and on what policies would most successfully help to bring about these aims. I also tend to translate this foward-looking perspective into American terms: What should we in this country view as our role in collaboration with others in moving the world toward this desired future?

In charting a road to the future, it is sometimes wise to look back on relevant turning points of the past. For over forty years the foreign and defense policies of the United States have been guided by a central theme, a well-defined basic policy objective. That goal, throughout the Cold War, was for the United States to take the lead in building an international world order based on liberal economic and political institutions, and to defend that world against communist attack.

The political-strategic situation is now changed. We are in an important period of transition. Our postwar policies appear to have achieved their principal objective, and a new conception of our foreign and defense policies is required as we face a future less dominated by an ideologically driven U.S.S.R. Before we can formulate a new strategy, however, it is first in order that we review our postwar policy of containment, its origins and rationale, and where and the degree to which it has succeeded.

II

In the summer and fall of 1943 fragments of discussion could be heard in Washington about U.S. postwar relations with the Soviet Union. Much of World War II remained to be

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fought, but for the first time Hitler's eventual defeat seemed probable. It was not too early to think about what kind of peace and relations among the leading powers we wished to see established in the postwar world.

By the war's end a majority of Washington's policymakers favored a three-point plan. The first objective was to support the United Nations and its associated agencies and to make them operational. The second objective was to work out methods of collaboration with Stalin and his associates; this was seen as a prerequisite for the smooth and successful operation of the United Nations and its organs. The third objective was to rely on the British to deal with the wide array of political problems arising from the chaos of a world destroyed by two wars just twenty years apart. Only a minority at this point thought that the principal problems of the postwar period would be caused by the Soviet Union, which had borne a major share of the burden of defeating Hitler.

A key participant in this debate was of course George F. Kennan, who while serving in our embassy in Moscow sent to Washington in February 1946 a compelling analysis of Stalinist policy, its origins, its evils and its dangers, in what became known as the "long telegram." Stalin's expansionism, he informed Washington, was becoming more aggressive as it fed upon its successes. He elaborated in the well-known "Mr. X" article published in *Foreign Affairs* in July 1947 as follows:

> The United States has it in its power to increase enormously the strains under which Soviet policy must operate, to force upon the Kremlin a far greater degree of moderation and circumspection than it has had to observe in recent years, and in this way to promote tendencies which must eventually find their outlet in either the breakup or the gradual mellowing of Soviet power. For no mystical, Messianic movement—and particularly not that of the Kremlin—can face frustration indefinitely without eventually adjusting itself in one way or another to the logic of that state of affairs.

Kennan recommended a policy of containment until such time as the Soviet people awoke to the destruction of their heritage and withdrew their support from Stalinesque policies. His recommendations were not immediately accepted by the Truman administration, which was still hoping for a cooperative relationship with Moscow. The evidence, however, soon became overwhelming that Stalin and Molotov had no intention of collaborating with the West to work out a just and equitable arrangement in Europe.

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Other pillars of our postwar policy were failing as well. The Soviet Union's continuing opposition and frequent use of its veto power in the Security Council turned the United Nations largely into a forum for public debate and diminished its influence on matters where East and West disagreed. Additionally, the third pillar of American policy, reliance on Britain to maintain global political stability, became untenable when in February 1947 the British government informed President Truman that it could no longer sustain the burden of supporting Greece and Turkey in their struggle against Soviet pressure and Soviet-supported guerrilla units. This decision by Britain brought the postwar crisis to a head; if assistance to Greece and Turkey were to continue, it would have to come from the United States.

Truman's response was immediate: the United States would come to the aid of both countries. This historic and crucial decision not only implied approval of the containment policy and the European Recovery Program but, more generally, it represented America assuming leadership of a new postwar world order. We pledged our efforts to the creation of a world made in the mold of the best that Western culture had to offer, with full freedom for others to participate in its benefits if they wished to cooperate while doing so.

III

The next 15 weeks saw a whirlwind of activity. Truman announced the Greek-Turkish aid program and the Truman Doctrine, declaring U.S. willingness to consider such aid as could prudently be made available to any country subject to aggression or intimidating pressure and prepared to act in its own defense. Under Secretary of State Dean Acheson outlined in a Mississippi speech the rationale for a general program of European economic aid, and Secretary of State George C. Marshall set forth the concept of the Marshall Plan in June 1947 in a commencement speech at Harvard University.

Surprisingly, bipartisan support for this ambitious program developed in Congress, which approved all necessary authorizations and appropriations. Congress then passed the 1947 National Security Act, establishing the Department of Defense and the Joint Chiefs of Staff, providing for an air force independent of the army and creating the Central Intelligence Agency. Legislation authorizing the Marshall Plan cleared Congress in 1948, and shortly thereafter negotiations began

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on the North Atlantic Treaty, and then NATO. Concurrently, we began working to bring both Germany and Japan back to economic self-sufficiency and, step by step, into the community of nations.

The detonation of a Soviet nuclear device in September 1949 gave further impetus to the U.S. policy of containment, as the Soviet threat acquired a new and more ominous dimension. That event, together with the consolidation of communist rule on the Chinese mainland, suggested that we were on the verge of what the communists would call "a shift in the correlation of forces" in their favor. The question was what Moscow would do and how Washington should react.

A crucial aspect of the problem was whether the United States should move forward with the development of a thermonuclear weapon, the hydrogen bomb. Truman appointed a special committee of the National Security Council composed of the secretaries of state and defense and the chairman of the Atomic Energy Commission to study the problem and make recommendations. A heated debate led to the question of whether the Soviets themselves had the potential to develop a thermonuclear device. When he was told in January 1950 that the Soviet Union did indeed have the necessary capabilities, Truman authorized an accelerated program to test the possibility of a thermonuclear reaction, though he did not make a decision to proceed beyond a test. What we did not know was that the Soviet Union had initiated development of the hydrogen bomb a full three months earlier.

Truman ordered the National Security Council to reexamine the aims and objectives of our national security policy in light of the possibility that thermonuclear weapons were technically feasible. Acheson and Defense Secretary Louis Johnson were given joint responsibility for the review. On the State Department side, the policy planning staff and I, as director, were responsible for the review work. From this study evolved NSC-68, which was eventually approved by the president in September 1950, after the North Koreans attacked South Korea.

This report was highly classified until 1975, when it was released to the public, finally shedding the mystique that had gathered around its long years of official secrecy. NSC-68 did not call for as sharp a departure in U.S. policy as was commonly believed. It reaffirmed conclusions of NSC-20/4, an already approved policy paper regarding relations with the

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Soviet Union prepared in 1948 by Kennan. The major change recommended in NSC-68 was a stepped-up effort to counter recent global developments, specifically a significantly increased Soviet military capability, with emphasis on strengthening our own military capability. NSC-68 stressed the thesis that U.S. and allied power, including military power, had become fundamentally important to the successful pursuit of our foreign policy objectives and to the defense of our national interests.

In this respect NSC-68 differed from NSC-20/4, which reaffirmed the fundamentals of "containment," only in the method of implementation; Kennan did not attach the same degree of importance to the role of military power in the pursuit of foreign policy objectives.

Sustaining the policy of containment for the time necessary to achieve its objective—almost four decades as it turned out—required great perseverance on the part of the nation. It was necessary during the Korean War for us to expand our military budgets; likewise, in the Eisenhower years we had to expand significantly our strategic nuclear capabilities in order to offset extraordinary efforts by the Soviet Union to obtain nuclear superiority.

Efforts on arms control began immediately after World War II with the Baruch Plan. They continued thereafter in international forums under the aegis of the United Nations. But the actual limitation of offensive and defensive systems foundered on efforts, largely by the Soviets, to use the negotiations as a platform for worldwide propaganda.

The United States and the Soviets agreed by 1969 to initiate bilateral negotiations to limit offensive systems, as well as the defensive systems designed to counter them. For different reasons both sides were interested from the beginning in equal limitations on antiballistic missile systems. With respect to offensive systems, however, the Soviets believed time was on their side and insisted on advantages that the United States could not permanently accept.

Two arms control agreements were entered into in 1972. The first was the Antiballistic Missile Treaty, evenhanded in its terms but containing a number of ambiguities, not all of which have yet been fully resolved. The second was an Interim Agreement on offensive systems, which it was agreed would be superseded by a comprehensive permanent treaty to be arrived at through prompt subsequent negotiations. Eighteen

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years later, such a comprehensive treaty has still not been achieved or ratified, and inventories of offensive nuclear weapons have continued to grow.

By 1981 both the United States and the Soviet Union had shifted their primary focus in negotiations to the issue of elimination, or at least control, of intermediate-range nuclear forces (INF). This issue was of crucial importance to the European members of the NATO alliance. The United States had agreed with its NATO partners to deploy Pershing II and ground-launched cruise missiles in Europe in order to offset the Soviet Union's earlier deployment on the continent of longer-range nuclear missiles with multiple warheads. The Soviet aim in these negotiations was now to block the U.S. deployment, without giving up their own missiles. If successful in this objective, the Soviets would have shattered the NATO alliance and isolated the United States.

NATO did not flinch, however, despite a concerted Soviet propaganda campaign and Moscow's walkout from the INF talks. This check to Soviet policy was a crucial point in the long, continuous Western effort to contain Soviet expansionism. It provided clear evidence to a new generation of Soviet leaders that old tactics of intimidation would not work. Led by Mikhail Gorbachev, the Soviets were now prepared to reconsider their former policies and methods.

In a meeting in Moscow in 1987 with Secretary of State George Shultz, Gorbachev recalled that when he first became general secretary of the Communist Party he did not begin from a standing start. He and Nikolai Ryzhkov were appointed to the Politburo in 1982 and, Gorbachev recounted, it was then that they exchanged views on the serious internal problems facing the Soviet state—the political structure of the party, the backwardness of the economy, the excessive allocation of resources to defense, and more. After these discussions, Gorbachev said, they appointed a hundred teams composed of the brightest minds they could find to analyze these problems and come up with suggestions for solutions.

When I heard these statements by Gorbachev, it seemed to confirm that our policy of containment had indeed achieved its basic aim; Soviet leaders were forced to look inward, and they did not like what they saw.

Containment has thus been largely successful, the Cold War is waning and communist ideology may well be in its final decline, much as Nazism and fascism were at the end of World

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War II. The non-Soviet part of the Warsaw Pact has now lost its strategic significance. It is time therefore to reexamine containment, our longstanding central policy objective, with the goal of making a transition to a new conception of U.S. policy, one better suited to a changing future.

IV

A time of transition is bound to be a period of uncertainty; old guideposts are gone or quickly fading and new landmarks need to be sorted out and established. The United States cannot possibly ensure that global stability will follow this period of transition. The most we can do is to use our influence to move world events in a direction of peace.

We first need to break down the problem into its relevant parts—political, economic, military, regional, environmental, etc.—and reach tentative conclusions about sensible policy in each category, testing from time to time the coherence of an overarching line of policy that integrates these various components. Thus while thinking through the long-term measures that we hope will lead to global stability, we must also deal concurrently with the immediate problems before us. It is only by successfully handling these problems that we keep our long-range planning from losing touch with the practical world as it is evolving.

What are our current issues?

—First, should we continue to focus our policy toward the Soviet Union on helping Gorbachev preserve his base of power, or should we focus more on our longer-term relations with whatever regime may emerge in control of the Russian people and those willing to remain associated with them?

We need to walk a fine line on this question. It is in the U.S. interest that Gorbachev remain in charge. He is a known quantity and his policies, with all their faults, are probably preferable to those we could currently expect from any likely successor.

On the other hand, we should not tie ourselves so closely to Gorbachev that we undermine our ability, should he lose power, to work with those who will follow. We made that mistake with Chiang Kai-shek in China and the shah in Iran. We cannot afford to repeat it with Gorbachev in the Soviet Union.

—Should we seek a prompt conclusion to the Strategic Arms Reduction Talks (START) along the lines suggested in the

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communiqué at the U.S.-Soviet summit in June 1990, or should we reassess the possibility and desirability of a deeper set of stabilizing reductions?

I believe it is in our interest to seek deeper and more stabilizing cuts in strategic forces than those contemplated by the summit communiqué. These cuts should focus on land-based missiles with multiple warheads, particularly the Soviets' heavy intercontinental ballistic missiles (ICBMs). As long as these missiles exist, their great destructive capability will poison our political and military relations with the Soviet Union. These missiles will cause us to take costly and undesirable countermeasures to assure that there is no possibility of the Soviet Union exploiting their enormous potential. It would be far better for all if the Soviet Union were to eliminate its heavy ICBMs as part of an agreement under which both it and the United States eliminated land-based, multiple-warhead missiles and placed equal ceilings on remaining strategic nuclear warheads.

Specifically, I suggest the draft START treaty be amended as follows:

—to ban land-based missiles with multiple warheads;

—to relax or even eliminate the limit of 1,600 on the number of weapon systems for each side, as this would remove the necessity for either to deploy destabilizing, multiple-warhead systems;

—to limit the weight of individual warheads to 200 kilograms or less in order to prevent the deployment of new large special-function nuclear warheads, such as those the Soviets are suspected of planning to deploy on their new SS-18 Mod 6; and

—to reduce the number of existing strategic warheads by at least twice that contemplated by START, i.e., by approximately 75 percent as opposed to approximately 35 percent.

If all ground-based, multiple-warhead nuclear missiles were banned, the remaining systems permitted to each side would be highly survivable against a first-strike nuclear attack. These remaining systems would include single-warhead, fixed or mobile, ground-based nuclear missiles; submarine-launched nuclear ballistic missiles and nuclear cruise missiles; long-range air-launched nuclear cruise missiles; and bombers armed only with gravity bombs and short-range attack missiles limited to less than 600 kilometers.

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If the nuclear systems permitted to each side were inherently highly survivable and unable to attack more than a single target, there would be no point in either side's attempting to improve its position by initiating an attack on the strategic forces of the other. Three to five thousand such systems on each side would suffice to make undetected cheating or the capabilities of other nuclear powers—now and in the foreseeable future—insufficient to upset the inherent stability this type of arrangement would bring to the nuclear relationship between the United States and the U.S.S.R.

I believe the opportunity for a radical and mutually beneficial solution is better now than it would be if the issue were postponed. We should therefore insist now on a truly stabilizing treaty, rather than being satisfied with the half-measures currently proposed.

—Should we encourage Lithuania and the other Baltic states seeking greater independence to postpone or scale back their demands in order to relieve the pressure on Gorbachev, or should we support our long-held position that the absorption of these states by Stalin through an unsavory deal with Hitler was improper?

This is of course one of the issues important to Gorbachev's prospects. In the case of the Baltic states, however, I believe other considerations must prevail. The United States has never recognized the propriety of Soviet annexation of the Baltic states, and to change our position now would be inconsistent with our values and counterproductive in the long term. It is thus sensible to encourage negotiations between Moscow and the Baltic states, but we should allow the Baltic governments to decide for themselves what negotiating position to take.

—What should our attitude be toward a united Germany and NATO?

The United States and NATO continue to have an important role in maintaining stability on the European continent and contributing to stability elsewhere on the globe. Other organizations, such as the 35-nation Conference on Security and Cooperation in Europe (CSCE), may play useful supporting roles, but could not possibly substitute for NATO, at least as far as the United States is concerned. It is important that NATO include the powerful political, economic and military forces that a unified Germany will represent. I also believe that Soviet security interests will be better served by a Germany united

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within NATO than by a neutral Germany. Recent negotiations suggest that Gorbachev has also come around to this view. Clearly, an isolated Germany is potentially more dangerous than one cooperating as a valued member of a community of nations.

—What are our primary economic concerns and what should we do about them?

Economic problems abound worldwide, from the collapse of the Soviet economy, to the struggles of the East European countries to convert to free-market economies, to the ordeal of Third World nations seeking to emerge from overwhelming debt. In considering the panoply of global economic problems and possible solutions, I think we must first concentrate on getting our own house in order. The U.S. budget deficit, coupled with our balance-of-payments problems, is limiting our ability to aid the new democracies of Eastern Europe and Central America, to help fund solutions to global environmental problems and to otherwise bring our economic clout to bear on world problems of great interest to everyone. If we are to suggest sacrifices by others attempting to shift to market economies, pay off their debts and remedy sources of ecological damage, then we must also be prepared to reduce excessive consumption and heal our own economy.

The United States must also deal with other domestic problems currently exacerbating international difficulties. A stepped-up campaign against drug use should be undertaken in an effort to reduce the U.S. demand that is such a major factor in the worldwide drug trade. Separately, strict enforcement of the clean air law is necessary to help reduce the U.S. emissions that are major contributors to worldwide environmental deterioration.

—How should we deal with problems that transcend national boundaries, such as global environmental decay?

Many problems we now face cut across national boundaries and affect many cultures. Economic and environmental problems are but two categories; others include terrorism and drugs. Still other problems that face many individual nations, such as hunger, can best be addressed through concerted international efforts.

These types of problems can generally be handled more efficiently and effectively by supranational institutions than by individual governments acting in the absence of some central coordinating body. Any grant of authority to a supranational

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body, however, implies some loss by nations of sovereign choice. We must therefore be careful to balance the gains of centrally directed efforts against the costs of reduced freedom of choice for individual nations. The gains to be derived from a supranational authority most clearly outweigh the costs in environmental issues. One nation's efforts to reverse the growing damage to the world ecology can easily be undercut by the negligence of other countries. A coordinated international effort is certainly required if we are to save our environment.

V

Returning to the question of an overall policy line, a strategic concept to guide our approach to the panoply of issues we face and to give our individual policies larger coherence. The new strategic concept I propose is captured in the following four sentences:

—The central theme of the policy of the United States should be the accommodation and protection of diversity within a general framework of world order.

—Our aim should be to foster a world climate in which a wide array of political groups are able to exist, each with its own and perhaps eccentric ways.

—Supranational institutions, such as the United Nations and its organs, NATO, the European Community, CSCE and the Organization for Economic Cooperation and Development, should be given the role of providing stability and forward movement on important global and regional issues that transcend national or ethnic boundaries.

—The United States, with inherent political, economic, cultural and military strengths, and no territorial or ideological ambitions of its own, can and should play a unique role in bringing its powers to the support of order and diversity among the world's diffuse and varied groups.

The emphasis on diversity derives from one of the most important lessons of the past few years: the near impossibility of erasing cultural ties, ethnic identities and social practices in a world where communications and ideas cannot be suppressed. Despite the efforts by communist leaders for decades to impose a common culture and society on their subjects, a Europe with a rich mix of nationalities and cultures is once again reviving. A similar process is occurring on other conti-

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nents as well. Not only are the aspirations of individuals and ethnic groups once again being realized, but this constellation of the cultures promises to enrich us all.

While there is much to learn from the ways of others, diversity also creates problems. The tensions that diversity had generated in the past have arisen once more—between Hungarians and Romanians, Bulgarians and Turks, Serbs and Albanians, and among the many nationalities throughout the Soviet Union. Such tensions may be the primary threat to peace in the years ahead.

Diversity therefore presents us with mixed blessings. As a democratic nation that honors freedom, we protect the right to dissent and to be different, as well as the rights of minorities from discrimination, and thus the United States supports this movement toward greater diversity. As a people who can learn from the ways of others, we welcome the opportunity to do so. As students of history, we understand that the aspirations of various peoples to realize their heritage cannot in any event be long suppressed.

As realists, however, we must recognize and try to contend with the dangers that accompany excessive nationalism and threaten to destroy the general peace. The assertion that the United States has no ideological ambitions does not mean we are without strong values; it means only that we should not impose these values on others. Just as we can learn from other peoples, they too can learn much from us, but we must realize that cooperative efforts among nations are generally more effective in achieving this end. The central element of my theme is thus the accommodation and protection of diversity within a framework of global order.

VI

The emphasis on a global role for the United States is perhaps controversial. Many Americans argue that the current mood favors a withdrawal from a leading role in international affairs. Their reasoning is that a great threat is no longer evident, and the United States is therefore free to turn inward and tend to its domestic concerns.

This outlook is shortsighted. As the issues I have addressed above indicate, there remain numerous international problems that deeply affect American interests. New problems of this same nature are bound to arise. The United States remains uniquely capable of contributing in conjunction with

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others to the effective solution of these problems. No other nation can do the job as well.

The Soviet Union, for example, even with the reductions I have advocated for a START treaty, will retain thousands of nuclear warheads and remain a potential threat to the United States and its allies. The current instability in that country only exacerbates the problem; no one can be sure into whose hands these weapons may eventually fall. No other country is capable of relieving the United States of the burden of deterring the use of these weapons, and none is likely to be able to do so in the future. Nor would we want any other country to deploy the nuclear arsenal needed to assume that role alone.

Similarly, should nationalist tensions in Europe erupt into civil or cross-border conflicts, no other country would seem as well qualified to play the role of honest broker in facilitating, with others, a peaceful resolution of these differences and terminating hostilities. In the absence of the United States from Europe, Germany would seem to have the greatest military, political and economic power on the continent, and thus leadership would fall to it in such a situation. Germany, however, is not well suited for such a role. Suspicion of German intentions, justified or not, remains too high among the nations of Europe for Germany to be effective in the role of honest broker.

The United States therefore must remain in a position to contribute to the continent's stability should European nations, including Germany, wish us to do so. This does not necessarily mean the continued presence of large numbers of American troops in Europe; we will only keep such forces there as are wanted and only for such a time as they are wanted. A constructive U.S. role in European affairs can be derived from more than simply the number of troops deployed; potential power can be symbolized even by the presence of forces of limited size.

Similar examples of problems meriting a U.S. role exist in other regions of the world. In the Middle East, the strategic importance of which is obvious, the United States is currently actively supporting the peace process, attempting to work with Israel, Egypt and the Palestine Liberation Organization. It is not evident that any other country has the clout necessary to assume this role effectively.

In time our leading role in the Far East could perhaps be assumed by Japan. But this would raise considerable concern

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among other Asian nations, especially those who have fallen under Japanese domination in the past. It is further doubtful that the Japanese would find it feasible to consider the interests of others comparable to their own.

All of these cases argue for the American role I have proposed. But let me also make clear the constraints on this role. I am proposing active U.S. participation in cooperative efforts with varying groups of sovereign nations to deal constructively with common problems; I am not proposing unilateral U.S. action. I am suggesting we act internationally where the common interest can be served; I am not suggesting unduly impinging upon the sovereignty of others. Our engagement on the world scene should therefore be carefully selective, based on our new objective of tolerating and strengthening diversity around the globe.

VII

As we advance further into this difficult period of transition, the West will find new opportunities to resolve longstanding problems. The United States must remain alert to signs of conflict and creative in analyzing new means of cooperative efforts among nations interested in resolving these conflicts without unnecessarily impinging upon national sovereignties or individual rights. We must be ready to bring our unique levers of influence to bear when they are able to play a constructive role in world events.

In a world of growing interdependence, where even the problems of distant neighbors are increasingly our own, it is not now the time for the United States to retreat from the world stage. It is, rather, the time for prudent leadership to bring America's extraordinary potential to bear on today's problems so that the many benefits promised by a free and diverse world can soon be realized by all. In order to create the public foundation for such action, however, we need to build a broad consensus on a new concept for America's foreign and defense policy and, to build upon that, a new national resolve.

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Flora Lewis

BRINGING IN THE EAST

The watershed date was November 9, 1989; the breaching of the Berlin Wall was the dramatic symbol of a new, profoundly different era in Europe. It is now clear that the wall's collapse offered indisputable proof that the Soviet Union would not use the Red Army to maintain the East-West divide. There had already been Soviet hints, speeches and gestures apparently voiding the Brezhnev Doctrine of intervention. But only when the Soviet threat was tested and found dead indeed was it certain that nothing could remain the same. It took a little while for the implications to be understood and for the East European regimes to collapse, but November 9 was the day when the question for Europe changed from how to maintain a divided and hostile peace to how to organize a new, inclusive continental system.

There had been no plans, no preparations. The end of the division of Europe, however, brought with it a momentum of inevitability. Soviet President Mikhail Gorbachev rubbed it in for his critics, nostalgic for empire, at the 28th Congress of the Soviet Communist Party in July 1990. "Do you want tanks again? Shall we teach them again how to live?" he tartly asked those who blamed him for the "loss" of Soviet dominion over Eastern Europe. "There is no way of bringing yesterday back. No dictatorship, if someone has this crazy idea in his head, can resolve anything."

It is easier to understand why this became so if, rather than wonder at the extraordinary speed with which the structures of Cold War geopolitics fell apart, we ask why the change was so long in coming. The pressure had been building for at least two generations. Already in 1953, eight years after Germany's total defeat in World War II, the workers of East Berlin had risen. In 1956 Poland began a long series of upheavals and Hungary erupted in open revolt. Czechoslovakia tested the possibility of reform in 1968, and failed. At first, the peoples of Eastern Europe were exhausted by war, then bewildered by

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their new regimes, in some cases inspired by the promises of communism after their devastating experience in the 1930s.

Only gradually could the peoples of Eastern Europe accumulate the strength and determination that would allow them to seize the opportunity, when it came, to break free. Meanwhile, communist promises turned to mockery. Nikita Khrushchev told Western diplomats in November 1956, "History is on our side. We will bury you." He meant that the inherent superiority of the Soviet system would soon produce a standard of living and social satisfaction far ahead of the West, and many then thought it conceivable. But education and information spread throughout the Eastern bloc, and so did cynicism as people became aware of the widening chasm between their own prospects and those of the flourishing West. It was evident that a very different kind of economic integration and political conformity, the one denounced by the communists as embodying the "bourgeois values" of democracy, enterprise and freedom, was central to Western Europe's success. In the East, including the Soviet Union, intellectuals set a new goal of becoming "a normal country," and by that they meant a Western-style country.

The demand was there. It was overwhelming by the time the chance to act came. But the means for satisfying it had scarcely been imagined. Finding them became the new task, and quite naturally the first idea in everybody's mind was to "join" the West, to make Europe "whole" by becoming full participants. Obviously, this would take cooperation and assistance, but there was no ready refuge for the newly independent states, no habit of mutual support beyond the old subservience to Moscow. That was when talk turned to inventing a new "European architecture," a structure that could embrace countries set free and feeling intensely vulnerable. Poland's keen-minded Bronisław Geremek, parliamentary leader of Solidarity, put the ambition succinctly. "People aren't interested in alliances with poor neighbors. They want to be with the rich countries," he told a Western audience.

But the European Community would not, could not, simply take them in. Theirs is a club with obligations as well as benefits, with an agenda and timetable of its own, and nobody in the East is going to be up to the standards of membership for a critical number of years. For some time, President Gorbachev had been talking of a "Common European House," a way of saying that the Soviet Union had abandoned East-

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West confrontation and wanted to be included, not set apart, from integrative evolution. Jacques Delors, president of the EC's Commission, gave a crisp answer to any arguments for urgency in opening the barriers at the EC's June 1990 summit in Dublin. "I consider the Common House a village, with one house for the Community," he said. "For the time being, I keep my key in my pocket."

So time has become the crucial factor. The "Whither Europe?" debate, in the long term, can be an agreeable academic exercise, with little controversy over guarantees of peace and cooperation, over the goal of one day achieving some kind of "confederation," to cite the murky notion of French President François Mitterrand. The difficult questions concern the middle term, the period of transformation, which is going to be painful and risky as grievances mount and patience erodes, demagogues rise to make use of new freedoms to exploit nationalism, carpetbaggers prey on undeveloped market and legal structures. The short-term problems are more easily identified, if massively difficult to solve, but they too could be faced with more confidence if there were a sense that the way ahead were charted.

There are certain contradictions among the points that need to be taken into account. The countries of what is coming to be called East-central Europe have various needs in common, but to organize the region on that basis would perniciously serve to perpetuate Cold War divisions. These must be transcended. The Soviet Union is qualitatively and quantitatively different from Eastern Europe. Even if it breaks up, Russia alone is a huge Euro-Asian power and will not fit as an equal among European peers. It cannot be excluded, but can hardly be included as just another member of the family. Germany will acquire an awesome weight that must somehow be bounded and distributed so as not to crush its partners. The U.S. role will shift as military power loses importance; security will remain an important issue, though its parameters will be redefined. No single design can encompass all this, but the elements must be linked.

II

History, geography and the special magnetism of the EC made it natural for Western Europe to take the lead once it was understood that a welcome must be extended to the dislodged East. The Council of Europe offered an initial

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haven, scarcely more than symbolic; with its 23 member-nations and its admission requirement of democratic government, the Council offered a way of signaling that Eastern Europe's desire for political change was taken seriously. Hungary will be accepted late this year. Poland, Yugoslavia, the Soviet Union, Czechoslovakia and Bulgaria have received "special guest" status. The Eastern hope is that the Council of Europe will serve as antechamber to the EC, a kind of apprenticeship.

Brussels has encouraged each country to apply separately for association or some special agreement with the Common Market, a one-by-one approach that clearly puts the newcomers at a disadvantage and provokes at least a psychological competition that weakens them. In any case, the European Commission is in the midst of negotiating a new association agreement with the countries of the European Free Trade Association that takes priority and is considered a necessary precedent. There is disagreement within the EC on membership applications from Austria and possibly from Norway, and there is thus no urge at all to get into the far trickier issues of extending privileges to the fragile economies of the East. The EFTA accord, to be in place by 1993, is expected to provide full market access (so long as the applicants accept Community rules and standards), but no voice in EC governance or access to the Community's special funds. For the East, a promise of similar status would be better than being shut out, but it would offer little real comfort.

The search for some special provision to meet immediate needs was influenced by the sequence of events. By mid-1989, at the time of the Paris summit of seven leading industrial nations, Poland and Hungary alone had undertaken sufficient political and economic reform to merit Western aid; this aid policy was intended to encourage the other East European countries toward reform without provoking the Soviets. No one could yet be sure that Moscow had not drawn a line beyond which it would intervene. The need for coordination of the limited Western help likely to become available was evident, and it made sense to assign the task to the European Commission. Few realized then that this would become the basis for a major political decision about how to proceed with a profound reorganization of Europe, implying a sideline role for the United States. But the decision would probably have been the same no matter what, because neither time nor

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money was available on a scale to produce a grander scheme. The response was patchwork, and urgent.

Before it went very far, the scope of the operation had to be completely reassessed. East Germany had become a special case, the prime responsibility of a West Germany that could absorb it, but with disturbing implications. There was the risk of creating new East-West dividing lines, cutting off the poor nations to the east of Germany or, later, cutting off the Soviets. More important, there was the sense that the mighty German economy would fill the vacuum left by the Soviet Union to become Europe's new hegemon. As Geremek said in the same speech directed at the West, "Poland's two headaches (Russia and Germany) can be your headaches too. Central Europe is coming back with some very peculiar problems, national problems, which can be the third headache of the world."

The East had stood still during the postwar era while the West gradually found ways to accommodate old national quarrels. Now Eastern Europe had the historic task of catching up, but it had no bootstraps to pull on. Without some new framework, some firm basis for organization, the danger was reversion to the interwar rivalry of national states and a renewed attempt at forming competitive alliances to balance a perception of unfriendly neighbors. This is keenly understood on the continent. Belgium's Foreign Minister Mark Eyskens wrote recently, "What has to be prevented at all costs in tomorrow's Europe is the rekindling of nationalism as the result of a renaissance of the nation-state." Italy's Foreign Minister Gianni De Michelis expressed the same thought, stressing the need for "amalgamation rather than fragmentation." Through the Marshall Plan and then NATO, the West had developed habits of mutual support entirely lacking in the East.

For the East European nations, a single great leap from national self-reliance, so freshly reacquired and cherished, to general integration is not going to be possible. Some form of regionalism is necessary, and history provides the obvious suggestions: a Danubian grouping (recalling Austria-Hungary) and a northern, more or less Baltic grouping. The political advantages of such a development are twofold. It would transcend rather than prolong Cold War geography, and it would put some specific gravity between Germany and Russia to reduce the historical sense of a "squeeze." Italy, Austria, Yugoslavia and Hungary launched a modest but

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potentially significant southern grouping in the fall of 1989, adding Czechoslovakia when Prague changed regimes. Sweden began talks with Poland, and is considering inviting Finland, Denmark and eventually perhaps the Soviet Baltic republics to form the nucleus of a Baltic group, which could include Czechoslovakia on appropriate issues.

The pattern need not be exclusive, on the model of the Common Market's development. Overlaps are possible and desirable according to specific functions: transport, communications, market access, environment, and so on. What matters is the development of partnerships to aggregate the capacity for dealing with issues that are insoluble on a single-nation basis and not yet feasible for a Europe-wide solution. Spontaneity has produced an assortment of schemes, none of them as yet successful. The trouble seems to be primarily that an outside catalyst, guide and support, such as the Marshall Plan provided, is needed to identify bottlenecks and the contributions that partners can usefully make to each other. One promising idea, suggested by the Czechoslovaks, would be for Western aid to finance critical exports from Poland, Hungary and Czechoslovakia to the Soviet Union for hard currency, easing the transition for their own industries unable yet to compete in the West, meeting Soviet shortages, creating counterpart funds for new investment, and moving them all toward real convertibility.

So far none of the Western plans for Eastern Europe or the Soviet Union address the need for regional cooperation. They focus on conversion to private enterprise and the market—which is needed but will not be achieved fast enough to have widespread effect—and conceive of coordination only in terms of funneling Western money and expertise. This is the approach of the Bank for European Reconstruction and Development, still in the organizing stage, whose officials do not foresee its having a capability to evoke and manage multilateral plans. The Organization for Economic Cooperation and Development, itself a descendant of the Marshall Plan, is planning a series of ad hoc groups along the required lines. Its secretary-general, Jean-Claude Paye, is keenly aware of the need for the multiplier effect of aid given in such a concerted way. But there is as yet no provision for a structure to achieve it and create integrative habits. The United States has the necessary experience and should urge this.

Of course, Comecon did impose trade patterns, and that is

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part of the problem. It tied the Eastern bloc together and served Soviet requirements, cutting its members off from the world market, assuring inefficiencies and discouraging the achievement of competitive standards. Well before last year's political changes, Hungarians were complaining that because of Comecon they had developed products that could be sold only in the East, preventing the earning of hard currency to import the machinery to make products that could be sold in the West. The vicious circle has to be broken, but it cannot be done simply by canceling existing contracts. The participants are interdependent to such a degree that an abrupt shift would mean disaster.

West Germany has understood and accepted this in terms of East German-Soviet trade. In return primarily for oil and gas, East Germany has been providing 25 percent of Soviet machinery imports and 45 percent of machine tool imports. Neither side can simply switch to the open market without incurring a crippling disruption in trade. Bonn is assuring Moscow that the participating firms will be reasonably weaned from existing contracts, not cut off, and the $3-billion credit Bonn has unilaterally offered the Soviets will in large part support this.

Given the disarray of all the economies involved, and the inevitable suspicions and resentments among them, the Eastern countries cannot be expected to work their way out of the Comecon sump on their own. The prospect of their doing so will almost surely prove illusory, and Gorbachev no longer seems to share or even desire it.

III

In another example of his ability to change position with stunning speed and effectiveness once he is convinced he has no other option, Gorbachev's agreement with Chancellor Helmut Kohl in mid-July removed all major remaining obstacles to establishing a united Germany's place in the European security structure. Basing his action on the Dublin EC summit's recommendation of aid for the Soviet Union and the just-concluded NATO summit's declaration offering "a hand" to "former adversaries," Gorbachev announced that the situation in Europe had truly changed and there was no further reason to oppose united Germany's membership in NATO. Kohl's success was made possible by the U.S.-sponsored NATO declaration. Both he and President Bush had taken great care to

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leave plenty of face-saving room for Moscow. It was a top-level diplomatic triple play handled with impressive skill.

Although Soviet troops will remain in their East German cantonments for three or four years, NATO's protective guarantees will cover all of the former German Democratic Republic as soon as Germany is united, an anomaly that does not seem to disturb anyone and which therefore reflects how much attitudes have changed. The common assumption now is that all will go smoothly and that worst-case scenarios are highly improbable. The Germans agreed, a little sooner than expected, to cut their eventual force totals under the forthcoming Conventional Forces in Europe (CFE) agreement—and even to reduce them somewhat more than anticipated. But there were no major concessions of the Western position. The one permanent provision that could conceivably cause trouble if tensions rise again is an undertaking to ban foreign troops and nuclear weapons from former East German territory, which will leave a military dividing line when everything else marking partition has been swept away. Evidently the hope is that further arms control accords and security agreements reached under the auspices of the Helsinki-launched Conference on Security and Cooperation in Europe (CSCE) will remove the line's importance.

Retaining troops in Germany was not a useful option for Moscow. Already there have been attacks on Soviet soldiers in East Germany, and some were reportedly disarmed to prevent any retaliation that might lead to grave incidents. Bonn will provide currency while the occupation regime winds down and contribute to housing construction in the Soviet Union so that the withdrawal can be orderly, which is in the interest of both sides. Meanwhile the Soviet Union and the East European countries will have access to the Atlantic alliance via NATO's offer to accredit their representatives in Brussels, a small sop that Moscow seized as a sign that the alliance was opening itself to Soviet concerns and was no longer purely confrontational.

The institutional importance of permanent verification procedures to be established under the CFE agreement has been overlooked. This will be a new kind of security system, with intrusive inspections providing more concrete assurance against renewed threat than any declaratory guarantees. It provides a continuing function for NATO, and in a sense for the Warsaw Pact as well, but on a mutual basis. Some East

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European governments have quietly told NATO officials that they look to the CFE system to assure that the Soviets will not come back, and it should help ease fears of tension among East European countries—between Hungary and Romania, for example. Limits on German forces will come under CFE, again providing a treaty-based, institutionalized, verified security measure. Both the Soviet Union and the United States are in the 23-member CFE framework, so that the CSCE is not the only East-West organization that includes them both.

The CSCE, because it is there, and because it includes everybody with a European role (except, for the time being, Albania), has borne the brunt of speculation about new European architecture. It has been called the "umbrella" for a Europe-wide system: an apt metaphor because, while an umbrella offers some protection for a group, it is not sturdy against storms and can hardly be leaned on. An argument has developed over the future relative status of the CSCE and NATO, as to whether one should be considered superior and the other subordinate. This is a false distinction that can only complicate, not ease, the transition. They need to be seen as complementary.

NATO provides the infrastructure for meshing security concerns at least among some states. It is not only the basis for keeping the United States in Europe, which British Foreign Secretary Douglas Hurd has repeatedly described as "essential for stability," a judgment endorsed by all alliance members and most of the East. It is the nucleus for a larger system that cannot yet be envisaged. The CSCE is so far only a forum, which can be strengthened, regularized and given additional tasks of supervision, coordination of information exchanges and possibly some kind of mediation role, but which cannot in itself provide solidity. It is a matter of the role of states. NATO is not supranational, as the European Community is becoming, but it does provide firm links among states that the CSCE cannot offer until much more has changed on the European landscape. For the time being, the CSCE is primarily a political and psychological assurance to the Soviets that they will not be shut out.

The most difficult problem in organizing the new shape of Europe is establishing the place for the Soviet Union. The more carefully one examines the possibilities, the harder the riddle looks. Whatever emerges from the new decentralizing, federalizing movement gaining momentum in the Soviet Union, however many republics may hive off, it will remain a

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great Euro-Asian country. The Soviets *are* different and will take longer to evolve into whatever their new status may be than will the East Europeans. The conclusion must be that there is no neat, unambiguous solution available in the period immediately ahead, just as there was no neat, unambiguous answer to how containment might eventually work and fulfill its purpose when George Kennan wisely proposed it as an interim guideline. Containment finally delivered on its promise because Moscow changed its policy. Overlapping, temporizing arrangements will be unavoidable in the coming years until there is another sharp turn in the path of history.

IV

Despite the important differences now being emphasized as the bipolar international regime disintegrates, there are similarities in defining the U.S. and Soviet roles in Europe. Both nations are continental powers with important Pacific interests. Neither can be assimilated in the specifically European picture. Both require special forms of involvement that do not flow automatically from geography or history, but which are necessary to keep history evolving on the desired track of peace, accommodation and expanding well-being. And the Soviets cling to a certain idea of equivalence that eases the transition for them. America's remaining in Europe helps justify their insistence on inclusion.

An anonymous American "senior official" has been quoted as saying that the United States wants to remain "a power" in Europe with the right of decision, not just "a presence" with only observer status. This is a self-confusing way of putting the question of the future American role. Obviously, as the military dimension loses prime significance in European affairs, the U.S. power of prime decision wanes. Nor was it ever unlimited; there always had to be accommodation to European views. Obviously, as European economic power is reinforced in consolidation, U.S. economic power loses the capacity for domination. But it will remain a key factor. And there continues to be an important U.S. catalytic capacity among the Europeans, who still have a long way to go before they can act as a political unit. They need and—although there will always be some grumbles—appreciate the outside influence of the United States when strains develop among them.

The fact that Chancellor Kohl took the lead in making the final German settlement with Moscow provoked some disgrun-

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tled complaints that the Germans had seized command in Europe—and even comparisons with Rapallo and the Molotov-Ribbentrop pact. Some Americans, along with Europeans, mumbled, "Who's in charge now?" But the agreement had been prepared with American consultation at key points, and it would have been churlish to appear to make the Germans take a back seat in negotiations restoring their full sovereignty. Top German officials say the Soviets appreciate the warm Bonn-Washington relation now as a buttress to their effort to keep the Moscow-Washington relation in good condition as they pull back from Europe.

German-bashing is probably going to be inevitable, at least in the period of uncertainty before the new shape of Europe has clearly jelled. How Bonn, or perhaps later Berlin, uses its economic and political weight will make an important difference to its neighbors' perceptions. Moreover Germany is not the only country with a role to play in developing the Eastern economies and establishing a West European presence. Poland certainly, and other Eastern countries as well, are keen to see France, Britain, the United States, Japan and other economic powers become active in Eastern Europe, so as not to leave the region too dependent on German businessmen and bankers.

Politically, at least, Britain could have established a much larger role in the emerging Europe if Prime Minister Margaret Thatcher had chosen to fill the vacuum in EC leadership during the doldrums the continent experienced in much of the 1980s. But that chance is gone, probably for good, and it is now only through the vitality of institutions such as the EC, NATO and the CSCE that Germany's preeminence can be diffused once the challenges of reunification are met.

The Poles are now satisfied with arrangements for settling the Oder-Neisse border, and they look toward another treaty of general reconciliation and cooperation with Germany. So do the Soviets. Thus the main guidelines for the transition period have been set in place, much more quickly than seemed possible late last year. The EC, NATO and the CSCE, with their interlocking memberships, plus the weapons- and deployment-verification regimes that should gradually transform the European security structure, will be the pillars.

Whether these institutions will actually function as envisaged is, of course, impossible to predict. It depends on what happens within the countries concerned, on their capacity to use new opportunities for development of political stability as

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well as of their economies, on the unforeseeable in the world at large. But it is the beginning of a coherent program to bring in the East without disorganizing the West.

Some suggestions have been made for a new institutional framework for U.S. engagement in Europe. Secretary of State James A. Baker has spoken of some kind of treaty link to the European Community, instinctively interpreted by the French as a demand for a "thirteenth seat" at the Community's table. Others have spoken of giving the EC, presumably through its Commission, a membership seat in NATO. Neither step would be fruitful, nor necessary to maintain U.S. involvement. It is better to make sure that NATO remains relevant by renewing its structure and stressing its unique contribution to mutual security. The coming arms control regimes, including an eventual Open Skies accord, imply long-term U.S. engagement.

Japan has signaled a new interest in finding a geopolitical role to match its economic weight, which has led some to urge a new U.S.-Japanese-German (though they should say European) directorate of world affairs. This is narrow thinking, tinkering with old patterns, which would resolve neither the problems of bringing in the East nor of defining the U.S. role. But the United States, as an Atlantic-Pacific and American hemispheric power, does have an important function to perform in preventing the coalescence of new, exclusive blocs. To do that, it must remain engaged on both sides, and no other country can serve that purpose effectively.

The change ahead for the United States appears dramatic only if the myth of American empire is taken seriously. There never was a capacity to dictate, but now the capacity to influence is going to require more stress on partnership and less on demonstrating lonely "Number One" status. There should be nothing to regret in the ability and willingness of Europeans to take on a larger share of the responsibility for organizing the safety and prosperity of their continent. The task will remain a joint one, because the Europeans need the United States, and the Americans need European partners, in bringing the world into a new and more hopeful era.

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Abraham F. Lowenthal

REDISCOVERING LATIN AMERICA

Almost 500 years after Christopher Columbus found the New World, nearly sixty years after Franklin D. Roosevelt's Good Neighbor Policy, and some thirty years since John F. Kennedy proclaimed the Alliance for Progress, George Bush in 1990 appears to be rediscovering Latin America.

Late in June the president announced an economic initiative—affecting debt, trade and investment—that could signal a fundamental U.S. policy decision of great potential significance: to build strong western hemisphere partnerships for the 1990s. The medium-term future of inter-American relations may well be shaped in the coming months as the president and his administration define in practice how they understand Latin America's importance to the United States in a rapidly changing world.

President Bush came to office at a moment of opportunity in the western hemisphere. After nearly a decade of sharp tensions between Latin America and the United States—and of deep divisions within this country over Latin American policy—a broad consensus was beginning to emerge by the end of 1988 on the immediate steps needed to reverse the deterioration of inter-American relations.

—It was widely accepted that Latin America's massive debt-service burden of some $400 billion had become unsustainable, and that substantial debt relief would be needed to release the region from an excruciating economic trap that might otherwise produce dire social and political consequences.

—It was increasingly recognized that burgeoning drug trafficking from Latin America to the United States was becoming an urgent problem, eclipsing traditional "national security" issues, and that the impulse to export primary responsibility for the problem to the producing

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and trafficking countries in Latin America was ineffective and counterproductive.

—It was broadly understood that Latin America's democratic openings during the 1980s were extremely fragile. Incumbent governments were being rejected in every election, sometimes by humiliating margins; labor violence was mounting in many countries; insurgent movements were gaining strength in a few; the narcotics network was eroding state authority in some nations; and armies throughout the region were restive.

—With regard to Central America, there was broad agreement that the Bush administration should chart a new course rather than risk fracturing the emerging consensus on other issues, hemispheric and global, by trying to carry on Reagan administration policies without the requisite public and congressional support. Both proponents and opponents of the Reagan stance of military aid to the contras recognized that this approach had become a slow-motion Bay of Pigs.

II

During President Bush's first months in office, his administration appeared to initiate, albeit cautiously, a new approach to Latin America. Through the bipartisan accord negotiated personally by Secretary of State James Baker with the Democratic leadership in Congress, the administration skillfully distanced itself from the Reagan stance toward Nicaragua. In effect Washington abandoned any further military use of the contra army and accepted the framework for a Central American peace plan that had been designed by Costa Rica's president, Oscar Arias. The administration tacitly committed itself to accepting the results of Nicaragua's elections (scheduled for February 1990) if they were free and fair, and gave the Democratic leadership in Congress something of a veto power on U.S. relations with the Nicaraguan resistance movement.

The administration also seemed to abandon the previously complacent U.S. stance toward the debt problem—and to indicate that Latin American, Japanese and other international views were being heeded—by conceding that some debt reduction should be sought. Secretary of the Treasury Nicholas Brady outlined general proposals toward this end in

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March 1989, and the incipient Brady Plan was followed by concrete steps to alleviate the debt burdens of Mexico, Venezuela and Costa Rica.

Finally, the administration adopted an important change of emphasis in U.S. policy on combating the drug problem. Responding in part to Latin American views, the administration unveiled in September 1989 a National Drug Control Strategy that recognized demand at home as the heart of the problem, and stressed its reduction. In various documents and declarations, the White House also expressed its concern with the underlying economic and social problems of the major producing countries of the Andean region. Reacting to the slaying of Colombian political leader Luis Carlos Galán, Washington provided some immediate aid to the Colombian government.

The administration sought furthermore to involve Latin American nations and even the badly discredited Organization of American States in seeking multilateral solutions to shared problems—including fighting drugs and protecting the environment as well as trying to end the repugnant regime of General Manuel Antonio Noriega in Panama. On this last problem, in particular, the Bush administration impressed Latin American observers by what seemed to be a high priority effort to back away from the unilateral approach that had produced such frustration during the Reagan period, and to redirect its Panama policy through the OAS.

The administration also expressed interest in nurturing Latin American democracy. The president, the secretary of state and other officials often emphasized this aim, and Bush took the time in October 1989 to visit Costa Rica for a western hemisphere summit to discuss ways to fortify the region's democratic openings.

Bush also gave several indications, even before his inauguration, that he would seek to improve U.S. relations with Mexico. The president-elect met in Houston in December 1988 with his Mexican counterpart, Carlos Salinas de Gortari, and the newly elected chief executives pledged vigorous new efforts to build bilateral cooperation on a broad agenda of shared concerns. The importance of Mexico for the administration was highlighted in August 1989 when half the Cabinet traveled to Mexico for a working session of the U.S.-Mexico bilateral commission.

In sum, President Bush and his administration seemed

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inclined to fashion improved approaches in the western hemisphere. By the autumn of 1989, Latin American leaders tended to credit his administration with a strong beginning.

III

By the end of the spring of 1990, however, the Bush administration's record on Latin American policy was, on the whole, somewhat disappointing. Some of its policy initiatives had faltered and several others appeared to be in danger of being overwhelmed.

The Brady Plan turned out in practice to be rather more an exhortation than a plan. It was implemented fully only in Mexico, where U.S. geopolitical and geoeconomic interests are most obvious. Even there, the degree of debt reduction provided was considerably less than Mexico had sought; the net reduction of debt-service obligations during the next few years will probably amount to about $1.5 billion a year, less than 15 percent of the previous annual outlay.

In other major Latin American countries—including Brazil and Argentina, which together account for close to half of Latin America's total external debt—the debt burden seemed little closer to being relieved by mid-1990 than it was during the Baker Plan period (1986–88), when the thrust of U.S. policy still had much more to do with protecting commercial banks and the international financial system than with restoring solvency to Latin America's debtors. Most Latin American nations fell into substantial arrears; a disorderly and uncoordinated series of arrangements between debtors and creditors emerged, with little prospect of meaningful relief in most countries.

The administration's early moves to deemphasize Nicaragua and to buy time and political space to develop a new approach toward Central America sharply reduced recriminations in Washington, and ultimately helped make possible the stunning electoral defeat of the Sandinistas in February 1990—though this outcome was probably as much of a surprise to the administration as to the media. But the time and leverage gained by the administration's efforts to back away from the Reagan policy were not wisely invested during 1989 and early 1990. The administration had not looked beyond February's election in Nicaragua and was almost as unprepared for Violeta Chamorro's victory as it would have been for a Sandinista triumph. It was slow to revise policy toward El Salvador

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in light of the major guerrilla offensive of October-November 1989 and of the waning Cold War. Washington developed no clear policy toward Guatemala, where both guerrilla and counterinsurgent violence were escalating, or for dealing with the impact on Honduras of dismantling the contra establishment. More generally, the administration showed little inclination to reconsider U.S. aims in Central America or different U.S. instruments for achieving national objectives. U.S. policy seemed stuck, reacting to events without any evident strategy.

The administration's promises to aid Andean nations were largely undercut by the negative effects of other U.S. policies, including the protectionist barriers against the region's legal exports. There were troubling signs as well that pressures were building in Washington for more forceful policies to fight the "war" on drugs, including the use of U.S. and local military personnel in ways that could well build nationalist resentments in Latin America or possibly affect the delicate civil-military balance in some countries. The Cartagena summit in February 1990 with the presidents of Colombia, Bolivia and Peru gave Bush a chance to show his interest in inter-American cooperation on narcotics and other issues, but the president really had little beyond encouragement to offer the Andean leaders.

Bush's repeated expressions of concern for democracy in Latin America also seemed primarily rhetorical. The Costa Rica summit, ill prepared and thus easily derailed by the appearance of Nicaragua's President Daniel Ortega, proved mainly to be a prolonged "photo-opportunity," with little of substance occurring during the less than three hours that were available for actual discussion among the 16 presidents who attended. The U.S. administration and Congress did precious little to provide resources that might help alleviate the extraordinary economic and social pressures on Latin American democracies. Although the administration and Congress were convinced that democratic openings in Eastern and central Europe should be reinforced with U.S. assistance, they were unwilling to provide such aid in South America. The two Latin American countries slated to receive substantial U.S. aid—Panama and Nicaragua—were not chosen because they are viable democracies but rather because the United States was so blatantly responsible for their economic problems.

Finally, the administration's initial apparent reliance on a multilateral effort to deal with the Noriega dictatorship gave way in December to the U.S. invasion. More than 24,000 U.S.

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troops were deployed, without the invitation of any government or prior consultation with, let alone approval by, any inter-American or international organization. The administration either underestimated or simply discounted the significance of strong Latin American objections to this unilateral military action.

Some Latin American observers, indeed, thought they detected a new U.S. disposition to use force in the hemisphere, illustrated not only by the Panama operation but by the dispatch of U.S. forces to rescue American citizens trapped in a hotel in El Salvador, the coast guard's shelling of a Cuban ship in international waters, the navy's announced intention to deploy an aircraft carrier off the coast of Colombia, the sending of special forces to Peru and the apparent decision to enforce U.S. anti-narcotic laws within the national territory of Mexico and other nations.

A broader concern began to emerge: that the waning Cold War might actually remove long-standing inhibitions on Washington's interventionism. This fear almost certainly will turn out to have been misplaced, but the fact that it surfaced at all illustrates a considerable measure of lingering distrust.

IV

Opinion polls early in 1990 showed that President Bush's personal stature was high, and among the reasons for his positive rating were the Panama invasion, the vigorous war on drugs and the defeat of the Sandinistas in Nicaragua. Yet specialists on Latin America from both parties, including some who advised on Latin American affairs during the electoral campaign, were generally critical of the administration's record in the hemisphere.[1]

The reason for this disillusion is evident. The administration's aim in practice seemed to be to remove Latin America from the front pages, rather than to develop a long-term strategy for confronting the region's underlying problems. The apparent guiding principle of its policy toward Latin America was to gauge the region's effect on domestic public opinion; this concern, not program or policy objectives, largely explained the course of policy.

[1] See, for example, Georges A. Fauriol, "The Shadow of Latin American Affairs," *Foreign Affairs*, America and the World 1989/90, and William Perry, "In Search of a Latin American Policy: The Elusive Quest," *The Washington Quarterly*, Spring 1990.

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Blitzkrieg summits, like those in San José and Cartagena, make eminent sense, after all, if their aim is essentially symbolic and no real effort will be made to achieve sustained and close cooperation. The dramatic military operation in Panama no doubt produced a considerable domestic political gain. Steady and predictably costly efforts to help Latin America emerge from its long depression, in turn, promised little by way of media attention or popular acclaim, and they were not undertaken.

The Bush administration thus successfully eliminated the hyperbole and diluted the obsessions of the Reagan policy, but failed to develop its own positive agenda. It understood that Latin America should no longer be considered as a prime target in a supposed Soviet game plan to challenge U.S. power, but it did not clearly substitute an alternative notion of Latin America's contemporary importance to the United States. Familiar rationales were often still articulated, but without conviction or credibility. No compelling and overarching new statement of U.S. interests in Latin America was advanced.

V

With Latin America's traditional significance for the United States receding and with the region's supposed importance for the bipolar struggle having virtually evaporated overnight, it is small wonder that the Bush administration was tempted to rely on ad hoc responses to Latin America and to shape its regional policy mainly in search of short-term domestic political returns. If Latin American trends are perceived as no longer having much impact upon the United States, it is understandable that policy toward the region might be defined primarily in terms of media images. There were obvious political advantages in framing the main problems for U.S. policy in the Americas as getting rid of Manuel Noriega and Daniel Ortega, and as fighting the drug war on Latin American soil. Perceived success in the first two cases and apparent vigor in the third produced quick and substantial gains. Some would say that such achievements added up to a successful policy under the circumstances.

The fundamental problem with making western hemisphere policy primarily by opinion polls, however, is that trends in Latin America today are having a significant impact on the United States, and will have even more in the years to come. Latin America could become increasingly important for

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the United States in a transformed global context that will permit and perhaps compel this country to look inward, turning greater attention to domestic problems—creating jobs, increasing U.S. economic competitiveness, fighting drug consumption and improving schools. All these issues will be influenced by Latin America because the region is so close and large, demonstrably capable of growth and tightly intertwined with the United States.

U.S. military security is no longer credibly menaced by attack from or through the western hemisphere, but security in a broader sense—the capacity to protect the individual and collective welfare of this country's citizens—is vulnerable to many Latin American developments. Latin America's significance for the United States today derives from its economic impact, the influence of migration, the region's role in affecting important shared problems and from its importance for core values at the heart of U.S. society.

Latin America could become a major export market for the United States in the 1990s. One by one, various Latin American countries are emerging from the deep recession of the 1980s and beginning to resume growth: Chile, Costa Rica and now perhaps Mexico. If the region as a whole can eventually overcome its debt-induced depression, it has a chance to resume the high rates of economic growth sustained from World War II through the 1970s. The industrial transformation that occurred in Latin America during that period was comparable in scope and pace to the period of growth from 1890 to 1914 in the United States. In the thirty years following the Second World War, Latin America's production of steel multiplied twenty times, and its output of electric energy, metals and machinery each expanded more than tenfold. Latin America's demographic growth has also been very rapid; starting with approximately the same population as the United States in 1950, the region will have nearly twice as many inhabitants as the United States by the end of the century.

These facts, taken together with the region's access to abundant credit, explain in large measure why a dynamic Latin America was the fastest growing market for U.S. products in the late 1970s. The region's debt crisis since 1982 caused imports to plummet, but they have begun to increase again. If Latin America can rebound, the region could absorb more U.S. products and services in a period when regaining

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trade competitiveness will be one of the main challenges facing the United States. Moreover U.S. firms still have some comparative advantages in Latin America, derived from proximity, familiarity, communication links, financial and other services and cultural penetration.

Strong growth in U.S. exports to Latin America could be especially significant in the 1990s, as Europe's impending enhanced integration takes hold and some U.S. firms become disadvantaged there. The current fascination with trade and investment opportunities in Eastern Europe sometimes obscures the fact that U.S. exports to Eastern Europe today are less than two percent of U.S. exports to Latin America, and that even a major expansion of U.S. exports to Eastern Europe would be much less significant for the U.S. economy than simply regaining the rate of growth of exports to Latin America experienced in the 1970s. Latin America could also be a significant region for U.S. banking operations, not at the artificially high levels that were produced in the 1970s when the commercial banks frantically recycled petrodollars in the western hemisphere, but at a level substantial enough to make a major difference to the performance of the few money-center banks that are staying the course in Latin America.

An additional important impact of Latin America on the United States comes from massive and sustained migration to this country, especially from Mexico, the Caribbean and Central America.

—More than 20 million persons of Hispanic-American descent now live in the United States, and Latinos are this country's fastest growing ethnic or cultural group.

—Half the public school students in Los Angeles County and in four southwestern states are of Latino origin.

—Some ten percent of Central America's population fled the region during the war-torn 1980s, mostly to come to the United States.

—The influx from the Caribbean has been relentless; since the end of World War II, more than five million people from the Caribbean islands have come to the U.S. mainland, almost one of every eight persons born in the region during this period.

As the number of new domestic entrants to the U.S. labor pool declines, the United States will need even more immigrant workers in the years to come. Without them, U.S.

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manufacturers, service industries and agriculture could face shortages of unskilled labor, rising real wages and a loss of international competitiveness.

These massive migrations are affecting the United States in myriad ways—shaping education, employment, public health, business, politics, culture and mores. The immigrant communities are bound to influence how the United States sees its stake in the hemisphere's social, economic and political conditions and how it relates to the countries of origin. In California, Texas and Florida, increasingly important in electoral terms, voters of Latino origin are already affecting U.S. perceptions and policies.

Major problems facing the United States cannot be resolved without sustained and intimate cooperation among western hemisphere nations. The most dramatic example is narcotics. Latin American countries produce or transship more than 80 percent of the cocaine and 90 percent of the marijuana that enters the United States. Demand in the United States must be drastically reduced, but efforts to do so will not succeed without effective programs of crop eradication, crop substitution and interdiction in Bolivia, Colombia, Mexico and Peru, as well as unprecedented international cooperation to stop money-laundering operations. And Latin America's cooperation may well make a critical difference on other vital issues of the 1990s: environmental protection; resource development and management, including the provision of secure sources of energy; combating terrorism; preventing the spread of AIDS and other diseases; and curbing nuclear proliferation.

Finally, the prospects for preserving values at the core of U.S. society—particularly respect for fundamental individual human rights—are significantly affected by conditions elsewhere in the hemisphere. As a nation committed to freedom, equity and respect for the individual, the United States cannot condone repression in a region so historically and culturally connected to our own society, and where U.S. influence has been and remains important. Whenever Latin America's governments base themselves on force, and whenever there are significant violations of human rights, Latin America will be on the U.S. foreign policy agenda. It should be there, as well, when the region's move toward democratic government makes possible meaningful U.S. support to consolidate human rights gains.

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VI

These distinct aspects of Latin America's contemporary importance to the United States have major implications for U.S. policy in the 1990s. They suggest why the United States must concern itself with Latin America's economic, social and political conditions.

In an earlier era, when what mattered to Washington was obtaining military bases, preserving access to raw materials, protecting investments in extractive enterprises and gaining diplomatic support from client states, the U.S. government could afford to turn a blind eye to internal conditions within Latin America, to ignore poverty and inequality and even to make its peace with unattractive dictators. But if what concerns the United States about Latin America in the 1990s is the capacity of its countries to buy U.S. products and continue payments to U.S. banks, the rate and nature of migration, the prospects for sustained and effective cooperation on tough shared problems like drugs and the environment and the protection of fundamental human rights—then the United States has an important stake in the region's well-being.

This framework suggests which Latin American countries are of greatest objective interest to the United States, and why. The relationship with Mexico is clearly of utmost importance, for Mexico scores high on all dimensions of U.S. concern. Brazil, a megacountry of nearly 150 million persons and the tenth-largest market economy in the world, has little significance for the United States on demographic grounds, but is very important on every other criterion. The Andean countries, at least for a time, will have high salience for Washington because of drugs and related sociopolitical deterioration and their spillover effects on the United States. Venezuela is important primarily because of its vast oil and gas reserves. The Caribbean islands and to some extent the countries of Central America will have a significance beyond their size due to the high degree of interpenetration caused by massive and sustained migration. Conversely, the United States in the 1990s may perceive that it has much less at stake in the outcome of Central America's civil wars than it thought in the 1980s. And the countries of the Southern Cone—Chile, Uruguay and Argentina—may naturally return to the relatively modest prominence they had in U.S. foreign policy in the interwar years.

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The issues at the heart of U.S.-Latin American relations in the 1990s will increasingly be "intermestic"—based on the international spillover of domestic concerns and involving both international and domestic aspects and actors. Trade, immigration, narcotics control, resource development, environmental protection and public health will all require complex management, engaging the active participation not only of many executive departments but also of Congress, state and local authorities, corporations and trade unions and many other nongovernmental organizations. The line between domestic policy and Latin American policy, consequently, will be hard to define in the 1990s.

In sum, Latin America will be of heightened relative importance for the United States. For those who have seen the world almost exclusively in Cold War terms, the events of the past year have made Latin America seem virtually irrelevant, likely, as some say, to "fall off the map" of U.S. concerns. But as U.S. interests and energies turn inward to domestic challenges, Latin America may well be increasingly pertinent. Far from becoming irrelevant, Latin America's problems and opportunities will increasingly be our own.

VII

For many years U.S. actions affecting Latin America have often been determined for reasons having little to do with the region itself. Domestic choices about fiscal and monetary policy, trade and tax reforms, agricultural subsidies, energy and welfare have had major consequences for Latin America because the region is so closely tied to the United States. Foreign policies toward the Soviet Union, Europe and the Middle East frequently have had significant, if unintended, impacts upon our neighbors in the western hemisphere. And in administrations of sharply divergent ideological thrusts, Latin America has sometimes been used as a stage, where points are scored for partisan political reasons or for broader international purposes rather than to respond to and affect hemispheric realities.

After a strong beginning in formulating its policies toward Latin America, the Bush administration reverted before the end of its first year toward treating Latin American policy in these familiar ways, allowing it by and large to become a residual consequence of other choices and an arena for achieving quick political gains. The administration seemed inclined

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to ignore South America, push for short-term results in Central America and Panama that would predictably leave the fundamental problems there unaddressed, and focus its positive efforts almost exclusively on Mexico.

In recent months, however, the administration appears to be edging toward a more farsighted stance. Beginning with its strong interest in Mexico, the Bush team seems willing to recognize that revitalized western hemisphere partnerships could be immensely helpful to the United States in a period when Cold War blocs are thawing, economic power and military prowess are diffusing, international economic and political rivalries are intensifying, and global challenges to health, governance and the environment are taking center stage.

The initial indications of a new U.S. approach in the hemisphere came, understandably, in connection with neighboring Mexico. The objective reasons for recognizing Mexico's increasingly vital significance for the United States were no doubt reinforced by the Texas backgrounds of the president and secretary of state and also by the opportunity for a fresh start afforded by the nearly simultaneous presidential transitions in the two countries and the accession to power in Mexico of the U.S.-educated and U.S.-oriented Carlos Salinas.

The rapid pace toward closer U.S.-Mexican cooperation has been largely set by President Salinas, who has moved decisively in this direction, ignoring or overcoming previous nationalist restraints. Under Salinas, Mexico has undertaken unilateral steps to attract U.S. investment, to lower trade barriers and to protect the environment; made unprecedented efforts to curb the narcotics traffic and to confront official corruption; and conducted a major public relations campaign to convince public opinion in the United States of the value of a closer bilateral relationship. It is still possible that domestic resistance within Mexico, the United States or both countries will derail or at least slow the pace of bilateral cooperation, but there is no doubt that it has proceeded far and fast during the past 18 months—with open discussion taking place for the first time of a possible free trade agreement.

A second potentially important step toward a new Latin American policy came early in June, when Secretary Baker flew to Central America to propose to the presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama that the leading industrialized nations should undertake

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coordinated multilateral assistance for Central America's recovery and development. A great deal of follow-up will be required to convert this suggestion into a sustainable reality, but the proposal is significant in recognizing a long-term development interest in Central America even when the Cold War threat is receding, in proposing substantial multilateral consultation, and in inviting extra-hemispheric actors to play a major long-term role in the region.

The past few months have provided evidence that the Bush administration is preparing to think beyond Mexico and Central America in building a western hemisphere policy. The president returned from the Cartagena summit convinced that regional economic issues needed to be addressed, and asked the Treasury and State departments to work on a new Latin American policy. Elements of such a policy were being shaped for announcement during the president's trip scheduled for September 1990 to Argentina, Brazil, Chile, Uruguay and Venezuela, but first indications of administration thinking came in the president's June 27 speech.

Pride of place in that pronouncement was given to commerce, on which Bush was grandiloquent if vague. He held out a long-term vision of regionwide free trade, promised that Washington stands ready to negotiate agreements with individual nations or regional subgroups, pledged cooperation with Latin American nations in the General Agreement on Tariffs and Trade's Uruguay Round, and indicated he would seek deep tariff cuts on products of special interest to Latin American exporters. Although his statement did not offer specific concessions on trade, it did convey willingness, at least in concept, to extend to all of Latin America the kind of preferential commercial arrangements that have been gaining ground in the cases of Canada, Mexico and the Caribbean Basin nations.

On investment Bush announced that he would ask Congress to approve a new U.S. contribution of $100 million to a multilateral fund, to be administered by the Inter-American Development Bank, to promote privatization and other reforms intended to expand production. At the same time the president announced that Washington would seek equivalent contributions of $100 million each from Japan and the European Economic Community. The level of funding proposed is trivial by comparison with Latin America's investment needs, but any proposal to devote additional U.S. resources to Latin

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America is a very positive signal in the current Washington context. Amid intense criticism from his own party for recognizing that unpopular tax increases are necessary, the president's willingness to ask Congress for additional funds for Latin American development is noteworthy.

Perhaps the most specific news in the Bush announcement was the promise to seek legislation to permit substantial reductions in concessional loans, with interest payments on the reduced claims to be made in local currency and used for mutually agreed environmental projects. Again the immediate impact of the announcement is limited, for it affects only about $7 billion (less than two percent) of Latin America's total external debt, and it mainly puts a positive face on the inevitable: the poorest nations cannot repay these loans. But the administration's willingness to go beyond the Brady Plan may provide leverage for Latin American negotiations with other official creditors from Europe and Japan, as well as with U.S. commercial banks.

What could also be significant is that the administration has accepted some responsibility to reduce Latin America's high debt overhang and to help the region recover from its recession. The U.S. government now recognizes, after nearly a decade of tacit denial, that Latin America's economic downturn is the fundamental problem that needs to be addressed if progress is to be made on strengthening democracy, fighting drugs and protecting the environment.

The ultimate importance of President Bush's still sketchy initiative will depend on its detailed implementation—but most immediately on responses from Latin America. The ball is now in Latin America's court. This is no time for Latin Americans to be passive, waiting for Washington to spell out a full-blown program or to show its good faith by further actions. Washington may now be ready to rediscover Latin America, but the chances for real western hemisphere partnerships depend also on Latin America's learning how to approach the United States. The Inter-American Development Bank, perhaps together with the U.N. Economic Commission for Latin America, could now play a constructive role by helping forge a Latin American proposal for regional recovery and expanded inter-American exchange. If Latin America's diverse nations can tell the United States and Canada what kind of economic and political relations they seek, the way may open to a new era in the Americas.

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Karel van Wolferen

THE JAPAN PROBLEM REVISITED

Wishful thinking in Washington and a refusal to discuss basic matters in Tokyo are threatening to turn a troubled relationship into one in which both parties will be guided by metaphors of villainy.

Washington's wishful thinking is composed of the self-flattering view that Japan was more or less remade in the American image during the early years after World War II, and the belief that whatever stands in the way of a relatively free and equitable exchange of economic opportunities will eventually be removed through mutual resolve. On the Japanese side, one finds a consistent denial of fundamental problems other than the necessity for Americans to "try harder to compete," and a vehemently negative reaction to any attempt at serious political analysis. Japan's bureaucrats and business interests are simply not ready to discuss with the outside world how their economy and informal power system interact.

This ominous situation would not exist if media and intellectuals, both within and outside Japan, were more thorough in scrutinizing Japanese conditions. The United States is incessantly studied, as if under a microscope, for motives and purpose, and justifiably so, for it is the world's most important economic power. Nothing remotely comparable takes place for the world's second-largest economic power.

An important reason for this hiatus is the world's great dependence on the Japanese press for information and speculation on Tokyo and its foreign relations. This principal source of information about Japan does not engage in a true dissection of its own political habitat. Japanese media rarely offer analytical reporting on the informal relations and transactions among government bureaucrats, business bureaucrats of the industrial federations, political power brokers and other clusters of powerholders that determine Japanese policies. Japanese editors themselves are part of this informal political

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structure, and where issues cut too close to the interests of the Japanese sociopolitical elite, the news media are not sufficiently independent to offer a variety of views.

Conforming to the human inclination to project one's own habits and thoughts onto others, Americans assume that something comparable to their own policy debates takes place in Japan. Thus the erroneous impression is widespread that the Japanese people are engaged in a discussion about their country's purpose and future role in the world. The problems of U.S.-Japanese relations are often presented as if dependent on the Japanese voter, who only needs to be won over before the government can make the concessions demanded by the United States. The fact is, the Japanese electorate has no say in bilateral controversies and could not, even if it wanted to, influence their outcomes in any way. If the Japanese electorate actually did have a mandate, the United States would have an easier task: an opinion poll by the economic daily *Nihon Keizai Shimbun* suggests that a majority of Japanese understand that their interests are championed by an American government pleading for structural reforms benefiting the consumer.[1] The United States is sometimes even half-jokingly referred to as Japan's only authentic political opposition party.

Japanese newspapers could not ignore the results of this survey, but in acknowledging domestic deficiencies they did not embark on coherent analyses of cause and effect or the international repercussions. A few Japanese voices sympathetically explaining the U.S. position do not begin to compare to the veritable chorus of lobbyists and academics, as well as Japanese official spokesmen, that influences American opinion with a view of the universe propagated or endorsed by Tokyo's officialdom. Just how unaware Americans are of this imbalance in opinion formation was shown by their shocked surprise at the samizdat English-language version of *The Japan that Can Say No*, written by a prominent businessman, Akio Morita, and a well-known politician, Shintaro Ishihara. In fact the contentions and tone one finds in this book are very common in Japanese magazines and major newspapers; for over a year now, hardly a day has passed without the public being reminded by the media that the United States is "bashing" Japan.

[1]*Nihon Keizai Shimbun*, March 27, 1990, pp. 1 and 3.

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The Japanese media have created a situation in which the Japanese people take it almost for granted that the rest of the world begrudges them the fruit of their hard work, and that Washington's words and actions concerning bilateral disputes are unreasonable and based on anti-Japanese, even racist, sentiment. Japanese popular opinion is corrupted to such an extent that the same consumers who would benefit greatly if American wishes were fulfilled readily accept the interpretation that they have become victims of American mismanagement and overspending.

It must be remembered that the Japanese public accepts as a matter of course that it cannot influence outcomes (unless it bands together in semi-violent radical activism). A majority vote for an opposition party would not bring down the de facto one-party system; there is no voter control over the bureaucrats and large business interests that have more power than the politicians. The sense of the nation being "bashed" combined with a sense of powerlessness cause a frustration that one sees reflected in the newly aggressive, self-righteous and hurt manner in which the United States is taken to task, and the superiority of Japan is implied if not openly stated. Ishihara offers explanations and justifies national pride in the eyes of a confused public, which basically does not know what to believe about its own authorities, but does know that it has no choice. While the U.S. role as advocate of consumer rights is now grudgingly admitted, it is at the same time still easy to see Washington in the role of villain.

Both the Japanese and the American sides are frustrated. These frustrations can only grow, and could well grow out of hand, since the solutions offered for the bilateral problems are so far essentially the same as those that have not worked in the past.

Temporary respite is sometimes gained when the Japanese bureaucracy compromises on some small matters after strong pressure from Washington. We are currently in such a phase, with the results of the Structural Impediments Initiative negotiations being presented by the U.S. administration as a major breakthrough. The SII has been unusual in that it focused attention for the first time on a number of informal structural arrangements that help shield the Japanese market against foreign participation. It can thus be compared with the 1982 campaign of the European Community, when the EC planned to invoke Article 23 of the General Agreement on

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Tariffs and Trade (GATT) against Japanese trade practices. But after almost a year of indignant allegations in the Japanese press that the United States wants to "change Japanese culture," the final Japanese commitments are unlikely to provide Americans with the economic opportunities they hoped to gain.

II

The SII euphoria is the most recent instance of American wishful thinking. Japanese promises of greater infrastructural spending dovetail with the pork-barrel interests of a number of Liberal Democratic Party (LDP) politicians, but they can hardly benefit American exporters of finished products. Those items that seem most promising, in the areas of antitrust and distribution measures, are not implementable. One of the most respected observers of Japanese economic developments, Kenneth Courtis, Deutsche Bank's senior economist and chief strategist, says that aside from official spokesmen he knows of no knowledgeable person who believes that the United States will benefit significantly from the SII results.

In private conversations some Japanese officials are skeptical, and even cynical. Several have already commented publicly that the outcome of the negotiations may actually increase the trade imbalance, as some of the measures will increase the competitive capacity of Japanese industry and trade. The SII campaign has been used by some power groups in the Japanese business world to overcome internal obstacles to their expansion. The potential increase of their political control over the market hardly promises significantly better market access for foreign firms.

The view that American pressure has created a climate of opinion in Japan to shift the emphasis from production to consumption demonstrates the depth of Washington's wishful thinking. Japanese newspapers have not started anything that could be called a political debate on such a shift.

The common suggestion that the Japanese public will at some point grow tired of subsidizing exports (by paying the world's highest prices for consumer products), and thus help bring about major structural changes, shows how little is understood in the West about the informal political arrangements that serve to prevent such a development. Any of the structural changes desired by Washington would, in the eyes

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of Japanese powerholders, introduce an intolerable degree of disorder and threaten their world.

Take, for example, the Japanese policy of bid-rigging (*dango*) in the construction industry, which Washington wants to stop. This would mean, among other things, the destruction of the most important part of the grass-roots foundation on which electoral success for the LDP rests. Another major structural impediment on which U.S. negotiators have set their sights is the system of distribution-*keiretsu*. Many Japanese retail outlets for manufactured goods are not independent entrepreneurial entities, but are locked into subcontractor-type relations monitored by dealer associations that give the most powerful manufacturers political control over the market. There is every political reason for the powerholders involved to preserve this system. Two of Washington's other demands—the enforcement of the antimonopoly law and the monitoring of informal transactions among the members of industrial groupings—would be tantamount to taking away the cornerstone on which the entire postwar Japanese economic edifice rests.

Whatever formal Japanese concessions emerge from negotiations, informal arrangements will spring up to preserve the status quo in every case. This will bring the United States back to square one, or to an even worse position, with increased American frustration and fresh evidence in the hands of Japanese nationalists that the United States is bent on "changing Japanese culture."

III

The ineffectual American approach toward Japan is based on a proliferation of illusions. Much comfort is derived from the belief that Japan and the United States are bound together by democratic values and common national objectives. This is correct in the sense that both countries believe in limiting arbitrary power, and that both believe in the benefits of the international free trade system.

But regarding the substance of the curbs on power, and the way they ought to be applied, American thinking and that of the Japanese power elite have little in common. And the international free trade system is undermined by the very methods Japanese business interests use to help preserve the advantages of their controlled domestic economy.

The American-designed Japanese constitution does not de-

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fine a political system in which laws prevail over authorities. Japan is ruled through highly informal structures of governance and bureaucratic authority, which dovetail with the so-called *jinmyaku* (personal network) relations and transactions, unregulated by law, among clusters of the elite. Control over a potentially very disorderly world is the essential goal of Japan's bureaucrats. Even judiciary bureaucrats will not leave it up to the courts to decide in matters that affect the political system. Elections in Japan do not help shape or change concrete policies.

In its economic objectives, the United States wants to convince the world of the virtues of the market as an instrument for deciding the most efficient allocation of resources, thereby achieving the greatest good for the greatest number. In Japan, the market plays an ordering role, but is ultimately not allowed to determine the course of economic processes. Indeed, Japan's powerholders would be horrified if they had to leave the future up to the market. Market forces are seen as useful instruments to influence desired outcomes, but never as ends in themselves.

American wishful thinking causes blindness to the fact that Japanese political and economic behavior is meant to accomplish aims that are fundamentally different from those assumed by the United States. When realization of this fact sets in among those who have not wanted to believe it, existing frustrations are likely to reach a critical point, leading even to conjecture that Japan is run by reprobates; the U.S.-Japanese relationship is ultimately most vulnerable to moral indignation.

While it may be politically tempting to explain bilateral problems by attributing villainous motives to Japan's governing elite, those who are tempted by such diagnosis should consider the world as it appears through the eyes of that elite. Japanese powerholders grow up in a social setting where the law does not ultimately regulate affairs or provide the means for resolving conflicts. Nothing in their experience at home gives them any assurance that treaties or agreements with foreigners can in the end be reliable. Instead they seek international "special relationships," comparable to the domestic highly informal *jinmyaku*, as protection and to maintain maximum control through economic self-sufficiency.

Japanese popular imagery has long viewed the nation as surrounded by an unreliable and capricious world, and as a potential victim of uncontrollable external forces. A frequently

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used term for this phenomenon is *higaisha ishiki*, or victim consciousness. *Higaisha ishiki* can hardly be exaggerated; it colors everything. American suggestions and requests, even those acknowledged as having merit, are nonetheless automatically presented as yet another instance of the Japanese being made to pay for the faults of others.

Today the "special relationship" with the United States appears endangered in the eyes of many prominent Japanese, while the latent belief in the world's ill will toward Japan seems vindicated by ubiquitous new foreign pressures, demands and criticisms. All this gives greater purpose to Japan's further frantic economic expansion.

The common cliché about Japan's place in the world is that even the Japanese themselves do not know what it should be. But many Japanese in high positions seem to know very well. Japanese manufacturers and financial institutions that operate internationally, and the domestic industries and industrial federations tied to them, indicate what they consider to be their international tasks by their striving for ever greater global market shares. Rather than passing on the wealth that Japan has amassed to employees and consumers or putting it into badly needed infrastructural improvements, it is relentlessly plowed back into more investment and increased production capacity.

The Ministry of International Trade and Industry sees its role as coordinator of a newly emerging structure of subcontractor economies in Southeast Asia—the beginnings of a yen-bloc bulwark against American and European economic power. The Ministry of Finance coordinates the important international moves of the banks, security houses and insurance firms, each consisting of the largest organizations of their kind in the world, operating in informal cartels. All these Japanese institutions with international dealings are essentially in the business of national security. International domination in as many industrial areas as possible is part of an uncoordinated and never delineated yet powerful campaign to make the world safe for Japan.

What appears at first sight to be the result of a grand national conspiracy is, in fact, the result of the unequaled skill of individual Japanese power clusters in seizing opportunities for their own advancement. Aiding this purpose are their extraordinary institutional memories coupled with equally impressive institutional motivations—characteristics that distinguish them from institutions in the West.

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Membership in a government agency, trade association or other Japanese institution is never casual. To Western sensibilities, the collective sense of shared traditions, quasi-sacred purpose and the need to impress society with the merits of the institution can be compared only to that of an elite military organization like the U.S. Marine Corps. Members of Japanese institutions need not be given detailed instruction or engage in lengthy tactical planning to know what must be done under any given circumstance to further the interests of their group. The international behavior of the Ministry of International Trade and Industry, the Ministry of Finance or the Keidanren must be seen in this perspective. Their activities affecting overseas markets supplement each other quite naturally.

These same parallel operating groups, to which Japan owes so much of its economic vitality, are the great weakness of the Japanese political system. Their institutional memories are highly developed because they must provide the guidance for the intricate informal methods with which these groups preserve order among themselves. They do not bow to anyone among them as the final arbiter. No person or group holds a mandate to make binding decisions for all of Japan's institutions as part of a national effort. Thus there is no center of accountability, no one who can explain to the Japanese public or to the world what Japan is doing. The problem with the informal get-togethers between American presidents and Japanese prime ministers is that they strengthen the illusion that the prime minister speaks for his country. He cannot speak for Japan in any practical way that is significant for U.S. purposes.

IV

Japan's political elite is resolutely uninterested in discussing how its system of informal relationships and transactions produces the politically protected economic might that affects other countries. It is also extremely skillful at changing the subject—a mastery necessary for minimizing conflict in the Japanese domestic setting. This tactic receives much unwitting help from Americans who have been invoking Japan—first as an example to be emulated and more recently as a threat to be met—in support of an agenda of self-repair.

It is unfortunate that an American agenda for "first putting our own house in order" has become almost inextricably linked with discussions about the bilateral relationship, for this has greatly muddied the discussion. The theory justifying the

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linkage is that if the United States greatly improved its competitiveness, the industrial threat from Japan would vanish. But this wrongly assumes that purely economic determinants are at work. Even if the American budget were balanced, the savings rate increased, the education system greatly improved and an ideal investment climate were created, the United States would still face an often hopeless competition against Japanese manufacturers and banks immune from bankruptcy because of their political protection.

Another obfuscation is the shift of the discussion from present problems to an imagined and dramatically different Japan of the future. Western media have spread much misinformation encouraging the belief that major changes are imminent, especially since the spring of 1989. The effects of the Recruit scandal, the result of the Upper House elections and the decline of the Tokyo stock market have been seized on as small watersheds in postwar Japanese history. The LDP and two prime ministers tainted by scandals were supposedly held to account by the public, Japanese women were supposedly beginning to play a more prominent political role and the consumers were supposedly "fed up." None of this was accurate. None of these developments has had a lasting effect on the way Japan is governed or does business. The undoubted changes taking place in Japanese society do not include the lifting of the political control over economic processes that the United States has been seeking.

Japan's bureaucrats generally endorse conclusions about structural change, especially concerning their own supposed gradual loss of control, because it matches their claims that Japan is adjusting to become a more responsible trading partner. They are not necessarily disingenuous about this; many believe that such changes do take place in areas other than those they know personally. The bureaucrats in the Ministry of Foreign Affairs see it as their duty to help preserve the status quo, which entails dissuading anyone from taking a fresh look at Japan. Representatives of Japanese government and business organizations react vehemently when such analysis is produced by foreign scholars and journalists, and engage in public campaigns to exorcise what is viewed exclusively in terms of a threat. This is understandable since the informal relationships on which they thrive cannot withstand scrutiny without losing their informality.

A Japanese public relations machine effectively amplifies

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what government agencies and the Keidanren want Americans to believe. Indeed these organizations derive support from many voices in the United States who wittingly or not relay their messages. No comparable American effort has gone into swaying Japanese opinion. The United States has from the outset believed that one could leave the formation of Japanese opinion to reasoned discourse among Japanese themselves. But there exists no sizable number of Japanese intellectuals, comparable to the Atlanticists in Europe, who genuinely believe in internationalist ideals and common purposes, other than the containment of communism. The few who do profess shared ideals in personal contacts with foreigners or in international forums still tend to conform to mainstream Japanese intellectual opinion in a domestic setting, so as not to be thought of as "un-Japanese."

V

Time may be running out for establishing a stable modus vivendi between Japan and the United States or, for that matter, Europe. Officials in Tokyo have privately warned Washington that perennial demands in the context of the bilateral trade conflict abet the proliferation of nationalistic sentiment in Japan, and that this sentiment could get out of hand. They are right. While the U.S. administration must contend with a Congress that is increasingly restive on the subject of Japan, Japanese bureaucrats today must take into account a newly emerging and intimidating right-wing force.

Right-wing Japanese activism is no longer confined to extremist groups noisily cruising cities in their banner-festooned sound trucks. A much more polished right-wing clique is making its presence felt, with a network of sympathizers, reaching into the press, the universities and the ruling party, and setting the tone for major articles in the serious monthly press. Most important, whereas right-wing activism in past decades directed its symbolic hostility primarily against Japan's communist neighbors, it has today become resoundingly anti-American. And numerous right-leaning intellectuals who were once pro-American are now speaking out against the United States.

Each time Washington exaggerates the tiny compromise concessions made by the Japanese bureaucracy in bilateral negotiations, rightist voices help create a strong impression that Tokyo gives in too easily and gives up too much to

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American demands. Alongside the victimhood imagery runs a strong message that the world does not sufficiently appreciate Japan's power or the superior model of social organization it has to offer.

A variety of views has reemerged on the uniqueness of Japanese culture and notions of strong exceptionalism that were part of the family-state ideology before 1945. This intellectual program and the rejection by Japanese authorities of genuine political analysis give free rein to a profusion of national illusions and guarantee a deepening of the nation's spiritual isolation. The new arrogant assertiveness, and unwillingness to consider the possibility that other countries might have a reason for thinking about Japan the way they do, remind seasoned observers of the 1930s. Strikingly similar to that period are the superb tactical skills with which Japan expands its international power without subordinating these skills to a grand national strategy that serves an attainable goal.

A basis for hope that economic developments will restore good relations between Japan and the United States is the possibility that the trade imbalance may eventually diminish and perhaps even disappear. But this, if it happened, would take care of only one symptom of a troubled relationship. Although it has gained an overwhelming symbolic significance, the enormous Japanese trade surplus has not caused the vanishing of entire U.S. industries and is only tangentially related to the new Japanese dominance in international financial and capital markets.

One school of thought on the U.S.-Japanese relationship holds that the two economies are becoming so intertwined that "misunderstandings" will be smoothed over while both countries prepare for a future of mutual benefit. The basis for this overly optimistic view is the escalation of Japanese investments in the United States and the growing number of joint ventures in sectors where American corporations cannot maintain themselves unless they hook up with Japanese firms. The Japanese bureaucracy and business interests have clearly been encouraging these links, partly as a hedge against possible economic reprisals.

While Japanese investment is likely to play a welcome revitalizing role, the rapidly increasing reliance on Japanese supplies is bound to stimulate American fears over the loss of entrepreneurial independence. In the end the strands that

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"intertwine" the two economies could be easily broken in a political hurricane of American moral indignation.

So far the administrations of both countries have given little reason to hope that they can cope with a saturation of frustrations and fears. There has been no political discussion between them that has produced a solution. And the kinds of "dialogue" that currently take place among academics, public figures or government representatives are leading nowhere.

VI

What can be done without aggravating the long-term relationship any further?

It is too late for America to correct the information/propaganda imbalance. Whereas the means for a propaganda war are commercially available to the Japanese in the United States, the reverse is not the case. More Americans could, nonetheless, make use of channels that are available for countering some of the more immoderately spurious arguments in Japanese newspapers and magazines that now go almost totally unchallenged. Ordinary Japanese readers tend to be cynical about their own political system and are receptive to alternative explanations.

More Americans must become involved. On an intellectual and academic level, the United States should not be predominantly represented by people who depend professionally on the Japanese institutions they are expected to analyze, and who tend to switch to the need for Americans to "put their own house in order" when the subject of Japanese structural incompatibilities is raised. But contradicting erroneous Japanese views about the relationship and American motives will have only a mild stopgap effect.

A long-term solution begins with the realization that the United States must have a Japan policy. The current approach based on wishful thinking lacks the consistency and attainable goals that are the minimal requirements of policy.

A genuine Japan policy would require an unambiguous indication by the U.S. government that it realizes the enormity of the problem and is ready to address its fundamentals. It would require recognition that the political relationships among the participants in the Japanese economy have created conditions that are incompatible with Western aims and practices. It would require a recognition that these incompat-

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ibilities cannot be corrected by market mechanisms, but that they necessitate major international institutional adjustments.

At the same time, it must be made very clear that the politically protected economic system of Japan is not an evil entity. It is, rather, a system driven by different motives that must be reckoned with in the foreign policies of other states. Washington must address the deep, underlying sense of insecurity that helps shape Japan's motives. Various symbolic actions are available to help Japanese powerholders believe that the world is not against them, such as giving Japan a permanent seat on the U.N. Security Council. Such a move, however, should only be considered as part of a larger covenant.

One perspective that is becoming widely accepted as the Cold War era draws to a close is that the bipolar arrangement based on nuclear arms is being replaced by a tripolar arrangement, consisting of the United States, an integrated Europe, and Japan, based on economic prowess. It is also accepted that this situation is fraught with the potential for new conflict. It would thus seem obvious that multilateral safeguards are needed to ameliorate the types of conflict already exemplified in the U.S.-Japanese relationship.

Fragmentation of the world into three partially exclusive trading blocs would mean more than ending the relatively free international trading system that, largely under U.S. auspices, has brought much prosperity to the postwar world. Such a division would be inherently unstable, with each bloc permanently nursing suspicions about the joint intentions of the other two. Moreover an Asian bloc would in itself be very unstable, as it is highly doubtful that the expanding Southeast Asian economies would long accept the subcontractor position that Tokyo's businessmen and bureaucrats have in mind for them.

The GATT is not equipped to cope with late twentieth-century international economic realities. Its founders in 1946 could not even imagine the emergence of the politically driven economic power Japan represents today. The Uruguay Round does not begin to address the issues that need to be resolved for a relatively stable international order to develop. It is, in fact, detrimental to U.S. interests to the extent that it sustains the illusion that these negotiations are addressing the major international economic problems.

Efforts such as the SII, aimed at changing the way Japanese

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organizations do business, are bound to fail in the long run. They may even make conditions worse. Rather than trying to change Japan, a viable program would be to devise multilateral agreements on new international rules that take the political realities underlying Japanese economic power into account.

In the United States there is movement toward various forms of bilateral restrictive trade arrangements. If the political will exists to counteract this trend—which together with similar moves in Europe is beginning to compartmentalize the world trading system—the United States could still make a major difference by taking the initiative for reaching new multilateral provisions. Doing so, it would also maintain its stature as an international economic leader.

A clear signal from the White House that the need for a Japan policy has been understood would go a long way toward a solution. There are sufficient indications that the European Community would support an unambiguous American initiative in this matter, if this could lead to a new international discipline safeguarding a global trading and financial system. In Japan there would very likely be considerable behind-the-scenes support among senior and still-influential retired officials for a new international discipline. These Japanese are apprehensive about current trends but lack the political means to produce voluntary adjustments on the part of Japan. Most clusters of Japanese powerholders would probably also prefer the certainty of new international guarantees to the volatility of the present situation.

The new institutional framework would have to be either a completely overhauled GATT or some substitute for it. The substance of the new rules would have to depend on what all the parties to a new international discipline can agree is worth preserving in what is left of the international free trade system.

Such agreement would be the best guarantee against the dangers of mutual moral indignation and vilification in Japan and the United States. It may be the only means to prevent an ugly clash. It will probably also be the only way to forestall worldwide protectionism. Not least, it is likely to be the best insurance against Japan and the Western countries becoming enemies a second time.

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Lucian W. Pye

CHINA: ERRATIC STATE, FRUSTRATED SOCIETY

Why does China thwart, frustrate and even embarrass those who are only trying to help? For all who befriend China, the story is the same: high hopes, then disappointment. The exhilaration of the Beijing Spring followed by the rage of the Tiananmen massacre was only the high-theater version of the countless commonplace ways China continually brings hope and then despair to its well-wishers. All governments, whether democratic or communist, have had their special problems in maintaining smooth relations with Chinese authorities. But it is of course the Chinese people themselves who are most hurt and frustrated.

China seems to evoke in others, particularly Americans, an irresistible desire to serve as China's teachers in the ways of the modern world, and thereby presumably help China improve itself. Yet, from the time of Lord Palmerston's efforts to get the Chinese to accept the conventions of Western diplomacy, to President Bush's humiliating attempts to alter the behavior of Beijing's current rulers, China seems impelled to reject the helping hand and to act in ways that seem perversely self-damaging in the eyes of those who believe they have that country's interests at heart.

Western frustrations with the conduct of Chinese officials began with the first efforts to "open" China. Even after 1842, when the Qing court agreed in the Treaty of Nanking to establish state-to-state relations, the British were driven again to using military muscle, in part to get the Chinese to establish a foreign office and conduct "normal" diplomatic relations. Faced with *force majeure* the Chinese reluctantly gave up their tradition of "managing barbarian affairs" through the offices of the Board of Rites, where specialists in protocol could teach uninformed foreigners the "usages of the empire," including how to get down on all fours when kowtowing to the August

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One. They did indeed set up a crude facsimile of a foreign office. The British, however, were driven to exasperation, for it seemed to them that in staffing the new office, the Tsung-li Yamen, the Chinese must have diabolically scoured the imperial bureaucracy to find the most dimwitted of officials. Additionally the Chinese had placed the foreign office on a back street in a rundown building, where passers-by could press their noses to the windows to watch Western diplomats attempt to lecture Chinese mandarins on why foreign affairs should not be treated as a mere nuisance.

It is of course understandable and hardly noteworthy that cultural differences should arise in relations among people with different traditions. The problem of disappointment with China, however, is of a more troublesome sort. Indeed the difficulties are particularly frustrating because outsiders often have an easy time establishing comfortable, even warm, relations with individual Chinese. Problems almost invariably arise out of the actions of the government and, specifically, from the ways in which power and authority operate in China. Chinese authority causes trouble not just for foreigners but for the vast majority of the Chinese people. Just when all appears to be going well, Chinese officials create problems for seemingly unaccountable reasons.

It is hard to pinpoint the intentions behind their disruptive acts because, in a world of grantedly irrational political systems, China's is possibly the most bizarre. Can it be that one year after Tiananmen more than one billion sullen people are left mute and passive victims, awaiting the outcome of power struggles among enfeebled strongmen, the one with top billing holding no posts at all, his presumed principal opponent's only claim to legitimacy being membership in an "advisory commission" of "retired" leaders? The problems with China are far more than just those associated with conventional communist oppression. China has a political system in which accountability seems to be absent altogether, in which no one appears to know where responsibility should lie anyway and, consequently, one in which awful things can happen to the ordinary citizen.

The accumulation of American frustrations with China can lead to feelings of betrayal. Americans may even come to believe that with the end of the Cold War China has lost its geopolitical relevance. But because a quarter of humanity cannot possibly be irrelevant, it is important to try understand-

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ing why the Chinese government, in contrast to the Chinese people, has been and remains such a disappointment. Unfortunately, the problems are not ephemeral; their roots extend deep into China's historical experience. Any true understanding of these problems, therefore, calls for an analysis of the complex and unique ways in which the Chinese state and society have evolved.

II

The starting point for understanding the problem is to recognize that China is not just another nation-state in the family of nations. China is a civilization pretending to be a state. The story of modern China could be described as the effort by both Chinese and foreigners to squeeze a civilization into the arbitrary, constraining framework of the modern state, an institutional invention that came out of the fragmentation of the West's own civilization. Viewed from another perspective, the miracle of China has been its astonishing unity. In Western terms the China of today is as if the Europe of the Roman Empire and of Charlemagne had lasted until this day and were now trying to function as a single nation-state.

The fact that the Chinese state was founded on one of the world's great civilizations has given inordinate strength and durability to its political culture. The overpowering obligation felt by Chinese rulers to preserve the unity of their civilization has meant that there could be no compromises in Chinese cultural attitudes about power and authority. Whereas pragmatic considerations have readily guided the Chinese in other spheres of life, this has not been possible with respect to the most fundamental values that determine the basis of the legitimacy of the state and govern the relationship between the state and society.

Chinese civilization has produced a distinctive and enduring pattern of relations between the state and society. Although the affairs of the state were always secret and tainted with the suspicion of scandal, the realm of government projected grandeur and thus gave all Chinese a right to pride and dignity. Chinese society, on the other hand, was peculiarly passive toward its government, made no claims on state policies and concentrated its energies on the private domain. It has always been a society composed of inward-looking groupings, and thus cellular in its structure. Society in China existed

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only at the local level; there were no national institutions of society, such as the church in Europe. Thus the state existed alone at the highest collective level.

One secret of the unity of China has been a conspiracy of make-believe, which masks the strengths and limitations of both the state and society. The Chinese state, both imperial and communist, has always pretended to omnipotence, but in reality its policy-implementing authority has been surprisingly limited. Chinese society for its part has gone along with the pretense of official omnipotence while following its own lead and making almost no demands on the government. Rulers and subjects have thus tended to keep their distance from each other while pretending to be harmoniously close.

This peculiar relationship sets the stage for the great Chinese political game of feigned compliance. Central authorities issue their "absolute" orders and local authorities proclaim their obedience, even as they quietly proceed to do what they think best. Higher authorities are hesitant to check too carefully about implementation of their orders for fear that it might reveal their impotence and shatter the pretentions of absolute power. Lower authorities are careful not to be too blatant in disregarding more troublesome orders, while overzealously carrying out those that are untroublesome. Should central authorities be embarrassed, however, they can act with mad fury.

In traditional China, as in present-day China, the clash of politics occurred among the uppermost rulers and their bureaucracies. The people as a whole had almost nothing to say or do about public affairs, even though the fiction might be that all policies were executed in their name. The struggles of factional politics among the elite operated to neutralize policy initiatives, and thus spared the population undue obtrusiveness. The Confucian mandarins understood that the purpose of bureaucratic government was to uphold the ideal of stability, which is best achieved when bureaucrats bend all their wits and energies toward blunting each other's initiatives.

Although government in the People's Republic involves more concerted policy efforts, it is one of the great illusions of the day that Chinese authorities are as omnipotent as they pretend to be. In a host of fields, from tax collecting to controlling economic activities in Guangdong, Fujian and other dynamic provinces, central authorities know that feigned compliance still reigns and that it is best not to attempt

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the impossible by demanding precise obedience. Sovereignty, after all, calls for theatrical representation.

In the meantime, the Chinese public ignores its aged leaders' buffoonery when they shrilly promise the imminent collapse of capitalism. The words of officialdom can hardly be taken seriously by an intelligent, pragmatic people when their leaders warn that "Western capitalist nations have never relinquished their goal of plundering China," while these same leaders simultaneously call for more foreign investment. The regime has now mounted a campaign warning that the West is plotting a "peaceful evolution" for China from socialism to democracy, a danger the people can only hope will come sooner rather than later. The political language of the elite at times loses all contact with reality. It speaks of the "bad old days" of Western domination, when only two percent of China's national income was related to foreign trade and investment; it touts a proud new anti-capitalist, anti-imperialist era, when nearly one third of China's national income currently depends on the world capitalist system. State and society in China have quite different realities indeed.

This distinctively Chinese relationship between the state and society was sustained by a shared belief in a moral order, the upholding of which gave the government legitimacy, and the existence of which gave the people security and peace. Although most traditional societies had comparable moral orders, elsewhere the process of modernization involved transitions to political orders based on competing economic and social interests. With successful modernization the balance of power shifts in favor of society and the emerging interests of the people. The authority of government comes to depend on the outcome of political processes. Instead of legitimacy being derived from an orthodox moral order, it is invigorated by the play of politics as codified in a system of laws.

In the case of China, however, significant competing interests never emerged. Instead of a drive toward pluralism and a system of legitimacy anchored in the realities of political processes, there was a frantic search for a new moral order to replace the eroding Confucian order. Marxism-Leninism in its Maoist form became that new moral order that reenergized rulers' pretentions of moral superiority and invincibility. The result is a distinctive system, which can be called Confucian Leninism, in which rulers, especially under Mao Zedong, claim to have a monopoly on virtue, society is guided by a moralistic

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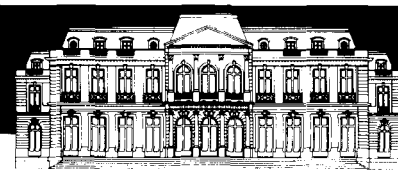

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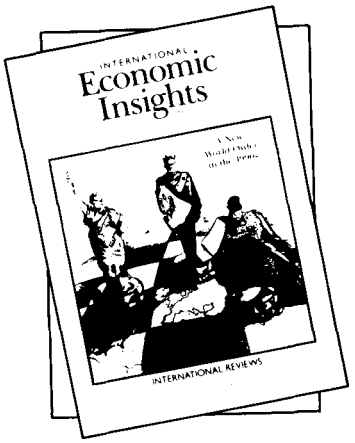

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ideology, and the hierarchy of officialdom is supposedly composed of exemplary people skilled in doctrinal matters. This continuing Chinese emphasis on a moral order explains the exaggerated importance of ideology in the Maoist years, the current propensity to revert to orthodoxy at every sign of political difficulties, and the generally erratic behavior of the state.

Mao sought to do something that Chinese emperors and mandarins were far too prudent to try. He sought to use the legitimacy of the moral order to mobilize the people for material advancement, especially during the Great Leap Forward and the Cultural Revolution. When this effort failed, the legitimacy of the new moral order eroded and there was a crisis of faith. For a brief time Deng Xiaoping reestablished a sense of legitimacy by providing immediate materialistic payoffs from his reforms. When economic problems began to emerge after 1985, however, the government had neither a moral order nor the benefit of a political process to provide it with legitimacy. The only immediate alternative was repression. Tiananmen has become the universally acknowledged code word for repression in the search for legitimacy.

For a time the horrors of the Cultural Revolution seemed great enough to extinguish any lingering legitimacy of Marxism-Leninism-Maoism. When Deng initiated his economic reforms, there existed a debate between party theorists advocating the "two whatevers"—whatever Mao said and whatever Mao did—and those advocating "seeking truth from fact." The debate confused the issue of what should be the criterion for evaluating policies with the larger question of what should be the basis of legitimacy now that Mao, the Superthinker, was dead. The pragmatists' argument that "practice is the sole criterion of truth" provided far too risky a basis for state legitimacy. No society has been so foolish as to make successful policies the basis of the legitimacy of its government, since the very essence of legitimacy is that it should sustain the government regardless of how partisan policies are working out. In practical terms, Deng used the debate long enough to eliminate his rival Hua Guofeng and his "whatever" faction, and then reasserted the authority of the Four Principles, which gave primacy to the party and to the moral order of Marxist-Leninist-Maoist thought. The debate helped party leaders to liberate their thinking from the silliness of Maoist rhetoric, but it failed to usher in a new basis of legitimacy for the state.

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The inestimable importance of a moral order for political legitimacy has made Chinese leaders, both Confucian and communist, dogmatic believers that values can be vividly categorized into those that are at the core or essence of the moral order; those that are foreign but useful, such as Western science and technology; and those that are an abomination because they contaminate the purity of the core values. The third are to be vigilantly guarded against and denounced, for example, as they are today, as "spiritual pollution" and "bourgeois liberalism." All Chinese leaders, starting with the reformers at the end of the Qing Dynasty, have steadfastly followed this formula in trying to modernize China while still preserving its civilization. Serious troubles arise, however, when in practice it proves impossible to ensure that the three categories of values are being kept neatly separated. Panic grows at the thought that the purity of the core values is being contaminated by Chinese who are supposed to be learning only practical matters from alien cultures.

This hypersensitivity to what is precious in the Self and what may be useful in the Other makes the Chinese more extreme than other transitional peoples in having at the same time a superiority complex and an inferiority complex, a contradiction which does not particularly bother them. Enough has been said elsewhere about the "Middle Kingdom complex," but what needs to be noted here is that this complex is accompanied by a keen awareness of the need to learn from others, to send students abroad, to search for what is best and to replicate it in China—with little regard for patents or copyrights. In this process the Chinese have elevated science and technology to the ranks of their core values and have come to revere science in much the same spirit as the earlier mandarins did Confucianism. Thus, instead of science having the liberating effect it did in the West, in China it has become a new orthodoxy for a state-supported technocratic elite. The Chinese political approach to science and technology therefore has an absolutist character; it is assumed that there is always a single, best answer to all technical problems.

The Chinese tradition of orthodoxy suggests that technocrats should have a common solution to any problem, with disagreements fought out within the circle of the elite, in the style of defenders of a moral order. Chinese political leaders

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have refused to recognize that technical problems usually have multiple solutions, and that choosing among them calls for a clash of values and power inherent in competitive politics. Debates over alternative technocratic solutions in other countries have generally widened political participation and strengthened pluralistic tendencies. This is not so in China, precisely because "science" has been made a part of the Chinese core values that, ironically, must be protected from contamination from other aspects of Western culture that are not "science."

Expecting that science should provide absolute certainty, like answers to arithmetic problems, Chinese political leaders are easily angered by the fact that technology generally calls for probabilistic thinking. They thus imperiously demand the single "best" answer to a policy problem. Of course political leaders in other countries also have their frustrations with the contingent nature of applied scientific knowledge. Harry Truman, for example, once complained that he wished he could find a one-armed economist, one who would not always be talking about "on the one hand, and on the other hand." In China, however, the authoritarian traditions of the emperors and of Leninism-Maoism combine to produce hostility toward any suggestion of ambiguities and probabilities. Chinese rulers' reactions thus tend to be of the old imperial stripe: "Don't tolerate, exterminate."

This dogmatic approach to science, along with adherence to "scientific" Marxism-Leninism, has produced a troublesome psychological problem for communist leaders as they try to preserve the dichotomy between essential "Chinese" values and the "dangerous" values of foreign cultures. The core values now to be defended are, in fact, foreign imports: science and Marxism-Leninism. In an effort to get around this awkward reality, the leadership talks of "building socialism with Chinese characteristics." This does not solve the problem, however, because for forty years the party has been denouncing just about every feature of Chinese culture as a feudal abomination that should be obliterated. In the end it is not easy to articulate what exactly are the Chinese qualities that should now be defended. In practice all that is left of "Chineseness" is the belief that leaders have a claim to moral superiority as the defenders of the moral order, even if this means acting in erratic and arbitrary ways that set back the nation.

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III

The stunted growth of interest groups in China is rooted in part in the nature of traditional Chinese society, which was essentially agrarian, and in which the only established channel for upward mobility was the government bureaucracy. China did not have the diversities that emerged in Europe with the rise of cities, the development of a merchant class, the growth of professions and occupations, and all of the other social changes that contributed to the pluralism basic to modern Western politics. In the West the rise of interest groups in society was also fueled by religious beliefs that valued the individual and gave legitimacy to individualism and the search for self-realization. In China the society was community oriented; individuals were expected to find their identities as a part of a group and to conform to the conventions of the collectivity.

This characteristic of Chinese culture had profound implications for the way Chinese political life developed, and explains why today the government can be so troublesome. The fact that all Chinese derived their identities from being members of a group, starting most importantly with the family and the clan, gave stability to China's unique structure of state-society relations, making it relatively easy for the government to rule. In the Ming Dynasty as few as 100,000 officials managed an empire of 100 million people, and a single magistrate was responsible for a county averaging 50,000 people. Collectivities governed themselves and the state could rely on the principle of collective responsibility. In policing it was not necessary to apprehend the particular person who committed a crime; Chinese justice could be administered by arresting, torturing and punishing the culprit's father, grandfather or the head of his or her clan. Since fathers had no desire to suffer for the bad acts of their sons, they could be counted on to go to great lengths to bring them up in the right way. Filial piety had practical as well as spiritual implications.

Society also benefited from this system in that individuals could derive a strong sense of security from being a part of solidarity groups that provided mutual support. Under the Chinese system of social connections, called *guanxi*, an individual might also have access to reciprocal ties with people beyond his or her primary group. An individual could thus become a part of a complex network of associations extending outward

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from the family to people from the same town, province, school or other institutions. People who shared any commonly recognized identity could count on each other.

For both the mandarins of the past and the cadres of today, these networks of personal relationships have provided the latent structures of factional Chinese politics. *Guanxi* ties, however, have not always provided security. In a forthcoming study, John K. Fairbank tells how the Hongwu emperor of the Ming Dynasty became so furious with his prime minister that he had him beheaded, along with all the members of his extended family. His fury still unappeased, the emperor then went after everyone who was known to have been in any way associated with any of them, to the extent that this early Stalinist-style purge exterminated over 40,000 people. Fairbank observes, "*Guanxi* has its dangers."

Since Tiananmen, state terror has been reimposed with ease, partly because the students and dissidents who need to use *guanxi* can never be certain that their networks have not been penetrated by informers. The environment became one in which people felt safe trusting each other only if they had some damaging information in reserve that could be used if necessary against another. The problem of trust has contributed to the factionalism that has splintered the opposition to the regime, even among those outside the country.

IV

The group-oriented character of Chinese society also makes governing easier because the collectivities are expected to look after their own members, while not making demands on the government. China has always had protective associations, but not pressure or interest groups. This was true of the family and clan in traditional China and is true of the work unit and the "iron rice bowl" in today's China. Just as individuals are not supposed to assert their own interests above those of the group that provides their identities, likewise all subordinate interests in China's hierarchical society are expected to defer to higher interests.

The taboo on the articulation of interests no doubt contributed to the unity of China, but it also set sharp limits on political development, even to the point of dictating the scope of discourse and determining who was a proper spokesman on public affairs. This prohibition meant that China never developed a real political economy in the sense of openly acknowl-

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edging that political power might be harnessed to advance economic interests. Those with interests that might be affected by governmental policies could not publicly call for allies or seek to mobilize opinion in favor of their interests. They could instead only try to operate quietly by seeking special favors in the implementation of policies, and thus risk being seen as a source of corruption. Consequently, although China has great regional differences, ranging from the rice economy of the south to the millet and wheat economies of the north, and from its cosmopolitan coast to its provincial interior, these differences have never been openly acknowledged. Everyone has simply gone along with the pretense that whatever the central authorities advocate is in the interest of all Chinese.

The rule against asserting one's own material interests has made selfishness China's ultimate political sin. Since openly advancing personal interests is seen as dishonorable, severe limits have been placed on even the vocabulary of Chinese politics. The language of Chinese politics has always been limited largely to supporting the values of the moral order. Political discourse thus becomes moralizing, not the analyzing of problems. No matter what scoundrels they may be as individuals, as self-conscious members of a supposed virtuocracy, Chinese officials are trained to praise all acts of the government as morally unassailable. Other Chinese are limited to two acceptable levels of discussion: the ad hominem level of remonstrating against particular officials for their selfish wrongdoings, or the lofty plane of boasting of their own selfless patriotism. Thus Chinese political discourse is either thick with charges of corruption against selfish officials or, as people seek to demonstrate their selflessness, highly idealistic and patriotic.

The imperative of always needing to appear selfless also limits who participates in political discussions. Most people remain mute for fear of being viewed as selfish and concerned only with their own material interests. Intellectuals and students thus receive a near monopoly on speaking out, for they are thought to have no special interests beyond their prime responsibility of defending the moral order. This responsibility has made them prisoners of the status quo, unable to freely advocate genuinely alternative approaches. China never had the clash of church and state, of religion and science, that established the Western intellectual as a legitimate outside critic of authority. As a result the Chinese

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governmental process has rarely had the benefit of intellectual criticism. It is true that many noteworthy Confucian scholars bravely remonstrated against officials of the imperial government, or even the emperor, but it was almost always in orthodox terms.

The story of intellectual dissent in the People's Republic has been much the same. Intellectuals have criticized the personal failings of officials, and some have at great risk even questioned the correctness of Mao's and Deng's policies. The tyranny of patriotism, however, has imposed a form of self-censorship. The Chinese tendency to blur the distinctions between party, government and country has made it dangerous to challenge fundamental policies or the basic character of the political system for fear of appearing to be unpatriotic and subversive. Liu Binyan, China's famed investigative reporter, even after 22 years of exile in the countryside, until Tiananmen never questioned the values of the party and sought only to expose individual wrongdoing. In his essay "A Second Kind of Loyalty," which electrified the Chinese reading public, Liu suggested that, in addition to the simple-minded obedience to the party of the good soldier Lei Feng, there was a second kind of loyalty, typified by two people who had chastised officials for their failings. As late as Tiananmen, few intellectuals questioned whether Liu was still too bonded to the party to recognize that there might be an even higher kind of loyalty, that of criticizing socialism out of love for China. What makes Fang Lizhi, China's Sakharov, stand out among Chinese intellectuals is his outspoken recognition that China has been cursed with what he calls "the problem of patriotism," which stops all reasoning because once you "criticize someone for being unpatriotic it will shut him right up."

V

A further problem in a society in which self-interest must be masked and people pretend to selflessness is that people never feel they know where others really stand. Everybody knows of course that people have hidden interests. There exists, therefore, considerable suspicion about hidden agendas and real motives. From ordinary social relations to international politics, inordinate attention is given to determining the real position of others. Are they potentially friends or foes? Stratagems abound, but they have to be followed with the greatest care because of the danger of causing the other party to "lose

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face," which is the grievous pain people experience when their masks are stripped away.

The social imperative not to offend, especially in face-to-face relations, contributes to an astonishing double paradox in contrasting Chinese and American political behavior. American politicians, operating in a democratic political culture, paradoxically discount what other politicians say publicly ("He had to say that for his constituents"; "it was only said for election purposes"), while believing that the hard currency of political communication is found in the privacy of meetings held behind closed doors, where they can talk "man to man."

Chinese leaders, operating in an authoritarian political culture, follow the opposite rule. They believe face-to-face meetings are where hypocrisy prevails. That is where it is obligatory to tell others what they want to hear, where ceremonial rituals must be carefully observed so that relations go smoothly; no one loses "face" and there is no hint of confrontation. In Chinese political culture one discerns where the other party stands only by reading between the lines of public statements and attaching importance to the code words employed.

This paradoxical difference between the Chinese and American evaluations of private communications makes even more puzzling the secret visit to Beijing after Tiananmen by President Bush's national security adviser, Brent Scowcroft. According to American logic, the trip's purpose might have been to reassure Beijing that the U.S. president was not as angry about Tiananmen as his public statements may have suggested and, further, that Bush's subsequent public statements about trying to keep China "open" should be discounted as conventional American hypocrisy employed to pacify his political constituents. Seen from a Chinese point of view, however, the trip was merely a ceremonial visit where flattering toasts are to be dismissed according to the conventional Chinese hypocrisy of face-to-face meetings.

The need in Chinese social and political life to probe where others stand as they uphold the ideal of selflessness makes the identification of friend and foe a constant concern. This produces layers of ritual about friendship that only further obscure whether or not the reality exists in any particular relationship. In Chinese culture people can become instant "old friends," but the obligations of friendship are vague; there is only the general notion that the more fortunate party

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ought to be helpful. Even a slight sign of coolness, however, can raise the suspicion that the relationship has become adversarial. This is not the place to analyze the complex sentiments associated with friendship in Chinese culture, but suffice to say that friendship is a highly valued ideal that is nonetheless hard to realize in practice. It is also an inappropriate ideal in institution-to-institution relations for, ironically, just as cooperation seems to draw closer, the likelihood of trouble usually increases sharply.

China still actively plays the theme of friendship in the old tradition of treating well those who have come from afar to partake of its wonders. True, there is currently some embarrassment over the old Maoist slogans of "We have friends everywhere" and, in sports, "Friendship first, competition second." Yet when Chinese behavior is more soberly analyzed, it is striking how few allies China actually has and how easily its relations with others tend to sour. Usually trouble arises just when relations seem to be getting closer: as with the Soviet Union in the late 1950s, India in the early 1960s, Vietnam in the late 1970s and Japan and the United States in the late 1980s. Since the post-Mao era of "opening" to the world, China has of course been seeking "normal" international relations. It is significant, however, that China still has no particularly close allies. Over the last few years when Chinese officials have been systematically questioned as to the countries with whom they have the closest and easiest relations, they have generally been hard put to specify any country other than their formal ally, North Korea. Few knowledgeable people, meanwhile, believe that China and North Korea are really close friends.

The overriding duty to defend a great civilization by upholding a moral order seems to cause Chinese leaders to discount the risks of irritating other governments. At the same time they are themselves hypersensitive to perceived slights. Thus Chinese officials generally strive to claim the moral high ground in any diplomatic negotiations. Just as Chinese rulers traditionally believed they could shame their subjects into correct behavior, and much as Chinese parents use shaming to socialize their children, so Chinese leaders today seem to believe that it is to their advantage to tell other governments that their relations with China are either "bad" or not as "good" as they should be. They will speak of how there is "a cloud over the relationship," and claim that relations can be

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improved only if "he who tied the knot unties it." There is no hint of a quid pro quo, however, no concrete indication as to what it might be worth for the other party to improve its relationship with the Chinese. Other governments should simply do what is "right" and be thankful to China for providing moral instruction and guidance. It must be conceded that the Chinese tactic of blaming others for any setback in relations is remarkably effective when it comes to the United States. America's puritan instinct dictates that if something has gone wrong it is proper first to suspect that the fault is probably one's own; and even if it turns out to be the other's, one should remain as closemouthed as possible for fear of making things worse. This tendency in turn only compounds the problem, because Chinese culture takes for granted that an accused party who offers no defense must be guilty.

There is an additional twist to the differences in American and Chinese thinking about the role of morality in international affairs. As pointed out by George Kennan and Hans Morgenthau, among others, the United States tends toward a moralistic approach to foreign policy that inhibits the advancement of American interests and allows others undue advantage. Chinese leaders, as the practiced guardians of a moral order, turn the issue of morality the other way around. They use arguments of "right" and "wrong" as a way to inhibit the actions of other countries, thereby advancing China's own practical interests—interests that of course they pretend are of secondary concern. Chinese leaders' commitment to the advantages of being morally superior is so great that even after the horrors of Tiananmen they still thought they could benefit by blaming the United States and others for what had happened.

VI

The erratic behavior of the Chinese state in both domestic and international affairs is further exaggerated by the Chinese belief that benevolent government requires rule by men and not by law. (The Chinese tradition of rule by law was one of arbitrary and harsh authoritarianism.) New vigor was given to the Confucian ideal of rule by superior men when China adopted Leninist elitism, and the combination of Confucian Leninism has produced a system that gives successive top rulers extraordinary freedom. Consequently, and paradoxi-

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cally, ultimate power in a society that is otherwise group oriented rests largely in the hands of individual personalities.

The peculiarly personal quality of sovereign authority has made leaders acutely sensitive to the need to take advantage of their every opportunity and to cling to power for as long as possible. Without a system of laws they cannot be sure their policies will survive their hold on power. No leader, not even a Mao or a Deng, can leave behind statutes that will bind the country to any particular policy course. New rulers bring new policies. This also means that questions of succession dominate Chinese politics. When things are going well, people wish "long life" to the paramount ruler; when they are going badly, people look forward to the arrival of the Grim Reaper. As long as leaders' influence ends at the grave, it is natural for them to try to hold on to power for as long as possible. Gerontocracy is the result. The "eight ancients" today rule over the entire political system and generational change is excruciatingly slow. Indeed, it is an oddity that aspiring Chinese leaders seem to get old faster than those ahead of them die.

The zigs and zags of Chinese policies made possible by the rule of men rather than law is also exaggerated by the Chinese spirit of pragmatism, which holds that changes in circumstances should prompt changes in action. In contrast to American politicians, who go into contortions to prove that through thick and thin they have always been consistent in their views, Chinese leaders find it painless to change their positions as circumstances change. For them it is a sign of wisdom to adapt to the logic of a situation, and it is an indication of power to be able to order policy changes. Proving that one has both wisdom and power is a combination hard to beat in any culture, and thus it is not surprising that Chinese leaders will confidently alter their policies. Americans are puzzled that Deng Xiaoping, who brought about such liberalizing reforms, could also be the butcher of Tiananmen. They forget that he is the same man (although his name was then spelled Teng Hsiao-p'ing) who in 1958 proposed the Anti-Rightist Campaign and who sold Mao on the idea of sending intellectuals down to the countryside to rusticate. Most Chinese leaders have likewise had several political incarnations.

The tradition of government by superior people, acting as the guardians of a moral order, has inhibited the institutionalization of government in China to the point that there is widespread speculation about how much of the communist

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system, built up over half a century of struggle, will outlast the octogenarians who are now the supreme rulers. Yet, paradoxically, in spite of the apparent fragility of a noninstitutionalized system of government, communism endures in its Confucian Leninist form, while being in crisis nearly everywhere else.

Optimists take heart from actuarial considerations and belief in the doctrine that "nothing succeeds like a successor." Pessimists recognize that the Chinese gerontocracy hangs on while American administrations come and go: an infirm Mao outlived Richard Nixon's presidency, and now an elderly but vigorous President Yang Shangkun is a good bet to outlast the current U.S. administration. Beijingologists scanning the ranks of the leadership to spot a possible future reformer place their hopes on Li Ruihuan, the former carpenter and now party propaganda czar, or Zhu Rongji, the mayor and cheerful booster of Shanghai. It is certainly wishful thinking, however, to believe that the Chinese political system is a well-integrated machine ready to respond to one man pushing a button labeled "reform," and thereby bring back the happy visions of the early 1980s. Prediction is made difficult precisely because the Chinese political system is capable of sudden zigs and zags according to the whims of a few men, while simultaneously carrying the burden of being true to a great and only slowly changing civilization. In a rhythmic way China's strengths turn into its weaknesses and its weaknesses become its strengths.

It is prudent to have guarded expectations about the immediate actions of Chinese leaders and the outcomes of their factional power struggles. It is nevertheless possible to be somewhat more certain about the evolution of modern China. It will probably continue to be the story of a society composed of people with remarkable talents for adapting to the modern world, but cursed with a political culture that constantly dashes any hope for smooth progress. The distinctive state-society relationship that has worked so successfully in preserving the unity of China also works to make progress erratic.

The failure of significant interests to emerge politically suggests that there is little prospect in the foreseeable future that the balance will shift from the state in favor of society, as has occurred in Eastern Europe and is occurring in Taiwan, South Korea and the other countries that are leading the worldwide transition away from authoritarianism. Dissidents

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trying to think through the future of China are mired in utopian debates that would at best call for heroic efforts to establish once more a new moral order. Some talk of a "third way" between capitalism and socialism; others dream of returning to the heady days of the early 1980s, before reforms ran into increasingly daunting problems and it became apparent that without solid political support there is no easy exit from a centrally planned economy. The prospects of such support are made dimmer by the Chinese tradition of believing that all successful leaders must be supermen, for today there are no charismatic figures among the dissidents.

Still others take hope from Chinese history. Out of the chaos of a disintegrating dynasty there have repeatedly emerged dynamic founders of new dynasties. Such a reliance on historical analogy is questionable, however, because in the past the Confucian moral order remained in place, ready to be reinvigorated by the new dynasty. It is harder today to identify what are the norms that could give vitality to a new political order, and therefore the drift of inertia becomes a guiding force. The strongest consideration uniting the opposition is a passion for revenge, for "settling scores," but there is no agreement even about which scores need settling first. Today there is widespread hope that "democracy" could become China's new moral order, but it is hard to imagine that a democracy could exist without a politics of competing interests.

China's distinctive state-society relationship has contributed to the peculiar rhythm of its politics. The factional struggles within the elite have produced not the Western pendulum swings between left and right, liberal and conservative, but an up-and-down motion of centralizing and decentralizing, of tightening and loosening the state's penetration of society. The vast majority of the population live as peasants in some five million hamlets and villages with their own largely self-contained social and political systems. They see the workings of government as much like the weather, to be thanked when favorable and cursed when bad. The urban population is not organized into interests, but rather is made up of strata or segments, such as the intellectuals and technocrats, industrial workers, managers, service people, entertainers, journalists, owners of small enterprises and the like. Their response to the politics of the state is largely one of mood: when things are favorable for them they are capable of enthusiasm, when things go wrong, of alienation. Most of the strata joyfully

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welcomed the early Deng reforms, but by 1985, and especially since 1988, they have one by one become disenchanted. Swings in mood between enthusiasm and alienation are humanly significant, but they are not a substitute for real politics.

Although it is hard to find a silver lining in the clouds, Chinese society, in spite of current repression, continues to have surprising dynamism. The coastal provinces have fought back the forces of political repression and economic recession and, consequently, economic progress at the local level continues. The modernizing elements in the society seek to expand their international contacts as best they can. Just as Soviet society made significant progress in urbanization, education and professionalization during the political stagnation of the Brezhnev era, so it is likely that Chinese society will advance in spite of its anachronistic government.

China's peculiar state-society relationship allows its leaders to rejoice in their presumed omnipotence, and its bureaucrats to engage in their factional struggles, while the Chinese people are left to seek comfort and security in the personal groupings that can protect them from more extreme political storms. Acts of make-believe smooth over the obvious contradictions and ensure that Chinese civilization will change only slowly in spite of all the zigzags of an erratic state. The unshakable idea that China remains a great civilization fuels a comfortable superiority complex and makes the vast majority of Chinese optimists, for they must believe that it is only an anomaly that things are as bad as they currently are, and in the future greatness will inevitably return.

In coping with the civilization as a state, the outside world has every reason to follow its own optimistic instincts and try to build ties with elements of China's distinctive society. At the same time, it should give careful heed to the pessimistic forebodings history provides of the erratic ways of China's political system. The fundamental goal in dealing with China should be to strengthen elements within Chinese society that can in time serve as more effective checks against the troublesomeness of the state. Even after Tiananmen, during a year when officially relations were "bad," this process has continued as, for example, trade with the United States has grown. Until a more substantial shift in power occurs in favor of society, however, the question of whether other governments have "good" or "bad" relations with the Chinese government will remain a trivial distinction.

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Dankwart A. Rustow

DEMOCRACY: A GLOBAL REVOLUTION?

A tide of democratic change is sweeping the world, not only in the once-monolithic communist regions but also in a wave that started in Mediterranean Europe in the mid-1970s and spread to Latin America, Asia, Africa and, even, South Africa.

Remarkably, the current demise of communism and the movement toward democracy have come not in the aftermath of destructive war but in an unprecedented half-century of global peace. Indeed they come at a time when the Cold War has ended, regional conflicts from Central America to Southeast Asia have abated, and Europe, the very powder keg of global wars from the late eighteenth to the mid-twentieth centuries, has moved into a historic process of economic and political unification.

Why is all this happening? Why have communist and Third World dictatorships embarked upon their various moves toward democracy?

Factors specific to each country are obvious: an ailing or aging dictator in Lisbon or East Berlin, economic setbacks in Brazil and economic successes in South Korea, Catholic priests providing safety for regime opponents in El Salvador and Poland, the insistence of a Soviet leader on fundamental restructuring at home and abroad. Taken separately, such stimuli for change toward democracy might seem no more than fortunate happenstances. Is there a broader pattern?

Looking back, three times in modern history the world has seen efforts to replace oppressive rule with popular government. The American War of Independence, followed by the French Revolution, set off proclamations of free republics in Europe and across Latin America; but then came Napoleon's military dictatorship, traditional monarchies were restored, and the new states of Latin America soon succumbed to *caudillismo* or other forms of feudal or military rule.

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A century later, Woodrow Wilson sought to make the world safe for democracy; the empires of Russia, Germany, Austria-Hungary and Ottoman Turkey fell, but again the gains for nascent democracy in the successor states proved precarious.

The Allied victory in the Second World War removed the threats of Nazi tyranny and Japanese military conquest. American occupation policies in West Germany and Japan made a major contribution to the global spread of democracy. Colonies of European powers in Asia and Africa moved toward independence, but few of them developed any democratic traditions. Indigenous revolutions in China (1949) and the Third World (Vietnam, 1954; Cuba, 1959; Ethiopia, Angola and Mozambique, 1975; Nicaragua, 1979) seemed to elevate communism into a global alternative to democracy. And in response, the West's Cold War policies encouraged the buildup of military establishments from Turkey to the Philippines and South Korea.

A search for patterns in the recent transitions toward democracy may help suggest what is to be done this time to improve the chances for nurturing and sustaining democratic change.

II

Democracy is a process of choice and orderly change that allows for resolution of the very dilemmas that have proved fatal to numerous dictatorships.

President Mikhail Gorbachev's commitment to glasnost and perestroika and his rejection of the Brezhnev Doctrine of military intervention in Eastern Europe were clearly motivated by his calculation that the Soviet Union could not continue to carry the triple burden of (a) being a leading superpower in military and space technology, (b) presenting communism as a worldwide option by subsidizing wars throughout the Third World and continuing its own unwinnable war in Afghanistan, and (c) satisfying the expectations of its own people for better standards of living.

Elsewhere the immediate circumstances that toppled authoritarian regimes in recent years have varied widely, though even the specific factors in various countries make a pattern of sorts. As a dictatorship becomes more centralized and personal, the government becomes increasingly repressive, important information often fails to reach top officials, and alternatives for orderly succession become scarcer. Illness, old

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age or death of dictators thus were a major factor in the transformation of Portugal (1968–76), Tunisia (1987) and Paraguay (1989).[1] The approaching senility of Erich Honecker hastened the demise of communism in East Germany, and the fact that Deng Xiaoping and most of his inner circle are in their seventies or eighties reinforces the expectation of further changes in China.

Lost wars have been another notable factor in the demise of many dictatorial, particularly military, regimes. Portugal's dictatorship was undermined by its inability to put down the anticolonial rebellions in Angola and Mozambique. In Greece the junta's plans to depose President Makarios of Cyprus by military coup provoked the Turkish invasion of the island and the fall of the junta in Athens (1974). The loss of the Falkland Islands/Malvinas war in 1982 led directly to the exit of the Argentine military dictatorship the following year.

Economic incentives have played an important role in many of the recent changes. The South African government of F. W. de Klerk moved to reconsider the apartheid policy in response to the growing hardships imposed by years of international economic sanctions. Conversely, Gorbachev and Deng each sought different ways to overcome decades of self-imposed isolation. The Soviet Union had more than held its own in the post-World War II competition in military and space technology; but communist countries had excluded themselves from most of the world's civilian markets, from efforts to satisfy expanding consumer needs, and from the international pattern of migration.

This policy of self-exclusion, symbolized by early decisions such as the refusal of East European countries to participate in the Marshall Plan and the building of the Berlin Wall, committed communist regimes to a sequel of undesirable choices. East Germany could stop the postwar mass exodus to the West, but could not prevent West German signals from being readily received on East German television screens. The resulting constant comparison of life-styles and economic levels forced the East Berlin government to be more repressive than other communist regimes, and increased the outflow of East German

[1] Egypt would seem to be the only example of an authoritarian regime that managed two orderly successions—from Gamal Abd al-Nasser (1954–70) to Anwar al-Sadat (1970–81) and Hosni Mubarak. Another rare example of orderly change was that of Spain, where Franco's constitution had provided for the restoration of monarchy upon his death, and the new king, Juan Carlos, actively promoted the transition to democracy.

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migrants as soon as neighboring communist nations relaxed their controls. For a brief period in 1989 a desperate East Germany even banned the import of Soviet newspapers, only to find a steady stream of copies of *Pravda* and *Izvestia* smuggled in from West Berlin.

Beijing found it difficult to be selective in the kinds of foreign contacts it wished to maintain. The Deng regime after 1979 had abandoned China's earlier policy of total isolation so as to catch up with Western advances in science and technology, but found to its dismay that students sent abroad to study computer engineering returned home to erect a statue of the "Goddess of Democracy" in Tiananmen Square.

Poland's communist regime under General Wojciech Jaruzelski, facing recurrent labor unrest and a high burden of international debt, had to choose between heavier repression or concessions to the opposition, and in the end preferred to shift the burden of responsibility for economic reform to Solidarity. Similarly, a cynical interpretation of the shift from military to civilian government in Latin American countries such as Brazil would suggest that the generals were content to run up astronomical foreign debts and let civilian successors worry about repayment.

In their economic performance, Third World dictatorships seem to be caught in a catch-22. If the economy declines under heavy burdens of rising prices, unemployment or foreign debt, the rulers will face growing opposition or violent unrest. If the economy expands with a thriving middle class and growing export sector, pressure mounts for political liberalization and change of regime. Thus the booming economy of South Korea under Park Chung Hee and Chun Doo Hwan gave rise to ever more insistent demonstrations for democracy. Chile's military ruler Augusto Pinochet, after presiding over a decade of relative prosperity, sought to strengthen and prolong his regime by allowing more leeway for opposition, only to see his presidential candidate overwhelmingly defeated in the free election of November 1989. In contrast, Taiwan under the successors to Chiang Kai-shek was one of the rare authoritarian regimes that avoided such upheavals by phasing in a steady program of political liberalization and, in December 1989, winning a solid legislative majority in free elections.

A major factor in hastening the transitions to democracy in the Mediterranean countries in the 1970s and 1980s was their

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desire to share in the higher living standards of the European Community, whose membership is open only to democracies.[2] Additionally, the capitalist democracies controlled the international financial institutions, such as the International Monetary Fund and the World Bank, whose preference for lending to countries with more liberal regimes added to the human rights pressures of U.S. foreign policy since President Carter and of such organizations as Helsinki Watch and Amnesty International.

The Roman Catholic Church in Latin America and in countries such as the Philippines, Poland and Czechoslovakia has evolved into a consistent factor in favor of democracy. Totalitarian regimes typically suppress all secular associations not controlled by their own parties, but prove unwilling or unable to extend that same policy to religious organizations. Thus, churches can serve as privileged meeting places, priests can form a network of opposition information, and visits by the pope to South America or Eastern Europe can help to crystallize anti-regime sentiment.[3]

International sports events have made an incidental contribution to this growing democratic climate. During a 1985 hockey game between the United States and the Soviet Union in Prague, the Czech audience expressed its preference by shouting "Go! Go! U.S.A. Go! Go! U.S.A."[4] And a major consideration that prevented the South Korean military regime from suppressing the growing opposition movement in 1987 was the Seoul Olympics scheduled for the following year.

III

The most powerful impetus to change in this era has been the global trend of intensifying communication and economic integration. Whereas democracies have thrived amid this flood of messages and goods, dictatorships had difficulty isolating themselves from it. In the past half century, the portion of the world's agricultural and industrial production traded across frontiers has grown at a steady and cumulative rate. Travel,

[2] Greece became a member in 1981, Spain and Portugal in 1986; Turkey, an associate member since 1964, submitted its application for full EC membership in 1987.

[3] This is in welcome contrast to the situation in Germany in 1933, when the votes of the Catholic Center Party provided Hitler with the crucial two-thirds margin in having his dictatorial emergency powers approved by the Reichstag.

[4] See William H. Luers, "Czechoslovakia: Road to Revolution," *Foreign Affairs*, Spring 1990, p. 83.

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communication and commerce have advanced from railroads and steamships to supersonic airplanes; from typewriters to computers, satellite television and fax machines; from local stock exchanges to global electronic trading of stocks and commodity futures. And whenever regulatory restrictions were maintained, competition from less regulated economic locations—from ship registries in Panama and Liberia to banking in Switzerland or the Cayman Islands and stock trading in Hong Kong—has added to the pressure for liberalization and global integration.

In this novel setting an economic measure such as the Organization of Petroleum Exporting Countries' tripling or quadrupling of world oil prices in 1973–74 and again in 1979 had instant global repercussions; the availability of money deposits from OPEC for global lending by Western banks further aggravated the debt crisis in the Third World. Another side effect of the economic revolution of the late twentieth century has been the steady pattern of migration of workers from poorer to richer countries, such as from the Mediterranean to Western Europe, from the Caribbean to North America, and from Egypt to Kuwait and Saudi Arabia.

Whatever the impetus for political change in Warsaw, Beijing or Santiago, there was little doubt about its direction. Neither communist nor military regimes managed to hold out any viable ideological alternative. Democratic constitutions have long been accepted globally—at least on paper; democracy was a major theme in the official pronouncements of both communist and military dictatorships. Third World juntas commonly have claimed to be offering temporary emergency regimes that will restore full democracy after overcoming the effects of economic crisis or political instability. Communism has presented itself as the ultimate version of democracy, purged of its bourgeois defects of class exploitation and nationality conflict; Third World communist regimes, with tautological insistence, called themselves "people's democracies." The worldwide revolution of technology, communications and travel therefore not only spread the awareness of democratic life-styles, but also helped expose this hypocrisy of "democracy" in communist and Third World countries. Thus, when communist regimes started tottering, four decades of their own Cold War propaganda left little doubt in the minds of the citizenry that capitalism and democracy were the logical alternative.

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Authoritarian rulers often adopt limited moves toward liberalization so as to appease the opposition or strengthen the support for their own regimes, only to find that they have set off a process of change that cannot be halted. As soon as there is margin for disagreement, some leaders of the government's own party are sure to stake their political futures on criticism and further liberalization. And once such disagreements have arisen among the regime's military commanders, any reversion to a policy of repression may be difficult or impossible.

In South Korea the government of Chun Doo Hwan had long resisted the opposition's demand for direct presidential elections. But by mid-1987 Roh Tae Woo, whom Chun had designated as leader of his Democratic Justice Party, conceded that opposition demand—and Roh proceeded to win the first direct election later that year because of an unforeseen split between the two major opposition leaders.

Once the government offers its citizens half-free elections with a limited choice of candidates, the ensuing election campaign is sure to expand the previous agenda of public debate. Once the press is allowed even minimal freedom to report and compete for readership, enterprising journalists are sure to explore any latent issues of popular discontent and weak spots of government performance.

In Turkey the military had seized power in 1980 after years of parliamentary deadlock and mounting terrorism, but promised to restore democracy as soon as feasible. Their own plan of banning former politicians and sponsoring new government and opposition parties soon went awry, as Turkish voters opted for a third party, and former politicians went on "non-political" speaking tours.[5] By 1989 Turkey had returned to full democracy with a lively free press, intense partisan debate and maneuvering, but little of the political violence of the 1970s.

It was a division within the military that led to the downfall of Ferdinand Marcos' dictatorship in the Philippines (1965–86). Appeals from Jaime Cardinal Sin, mass defections from the pro-Marcos military forces, and the U.S. offer of exile for Marcos and his entourage secured Corazon Aquino's succession.

In suppressing the June 1989 demonstrations in Tiananmen

[5] See Dankwart A. Rustow, *Turkey: America's Forgotten Ally*, New York: Council on Foreign Relations, 1987, pp. 57–83.

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Square, the Chinese hard-liners had to rely on army units from remote parts of the country. A similar dilemma of military indiscipline might be faced in the Soviet Union if Gorbachev or a hard-line successor were to attempt to repress the forces unleashed by glasnost and the growing assertions of separatism.

IV

In assessing the prospects ahead, it is essential to note that the demise of an authoritarian or totalitarian regime in no way guarantees the instant advent of democracy. Russia's revolutionaries of February 1917 sought to replace tsarist autocracy with constitutional government, and soon found themselves under Leninist party dictatorship.

In more recent times, there have been bitter reminders that the outcome of the global democratic revolution remains far from assured: the victory of fundamentalism following the 1979 downfall of Iran's shah; the cruel repression of pro-democracy demonstrations in Beijing; growing unrest in the Soviet Union; and the many earlier failures of democratization in Latin America. In Romania the less-than-free elections of May 1990 merely replaced one communist regime with another under a different name, inaugurating a new phase of violent confrontation. In Latin America newly elected governments are grappling with the deep-seated economic problems that have confounded military and civilian governments before them.

Recent events thus pose, with renewed urgency, the questions that political philosophers and social scientists have addressed since Rousseau and de Tocqueville: "What conditions make democracy possible and what conditions make it thrive?"[6] Indeed the recent global wave of transitions or attempted transitions to democracy amount to a unique laboratory experiment to test any hypothesis suggested by the historical growth of democracy in Western countries and earlier attempts at transition in the Third World.

One such hypothesis is that an unquestioned sense of national and territorial identity is a highly favorable precondition. Democracy means government by the people; but, as a

[6] The phrasing is that of my article "Transitions to Democracy: Toward a Dynamic Model," *Comparative Politics*, April 1970, p. 337. For a fuller discussion of the problem of territorial-national identity, see also my book, *A World of Nations: Problems of Political Modernization*, Washington: Brookings Institution, 1967, ch. 2.

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British political scientist observed, "the people cannot decide until somebody decides who are the people."[7] History shows that such decisions have commonly been imposed by force or devised by diplomacy, and confirmed by the evolution of governmental institutions and social relationships within those borders.[8]

In most of northern and western Europe, national boundaries were established in the monarchic wars of the thirteenth through the seventeenth centuries, and within those boundaries political regimes were gradually broadened from monarchic to aristocratic to democratic. By contrast Italy and Germany did not resolve their problems of territorial identity until the mid-nineteenth century—and their attempts at parliamentary democracy quickly succumbed to fascism.

The peaceful democratic evolution in countries such as Australia and New Zealand benefited from their insular boundaries, and also the aspirations for freedom and equality of their lower-class immigrant populations. Israel had undergone a similar, but far more rapid, development within its 1948 boundaries; but when that earlier territorial identity was thrown into question by the occupation of the West Bank, Gaza and East Jerusalem after 1967, disagreements and deadlock within the Jewish population, and martial law and violent unrest in the occupied Palestinian territories, severely hampered that earlier democratic evolution. By forcing two nations to coexist in violent conflict, the post-1967 de facto borders have prevented any wholesome democratic evolution for Israelis and Palestinians alike.

While territorial identity and national homogeneity clearly are favorable preconditions for democracy, there are exceptional countries, such as Belgium, the Netherlands, Switzerland, Canada, India and Singapore, where democracy has evolved despite profound linguistic or religious divisions. The key factor in such countries typically has been a decentralization of many administrative functions, including education, to more homogeneous subunits—a pattern that Arend Lijphart

[7] Sir W. Ivor Jennings, *The Approach to Self-Government*, Cambridge: Cambridge University Press, 1956, p. 56.

[8] As I pointed out in *A World of Nations*, "The plebiscites held in Europe after World War I [to determine the borders of Germany] are only apparent contradictions of this argument. If nations were to be constituted by plebiscites, the possible solutions would be so numerous and indeterminate as to make clear formulation of alternatives and any rational choice among them impossible"; *op. cit.*, p. 59.

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has described as one of "consociational democracy."[9] It is noteworthy that the de Klerk government has sent missions to Canada, the Netherlands and Belgium in order to study the possibility of adapting such institutions to South Africa in a post-apartheid era.

The colonial boundaries inherited by tropical Africa have created few states with linguistic unity or even linguistic majorities; and amid this scarcity of clear territorial-national identities it is no coincidence that Africa is the region where progress toward democracy has remained most precarious. Only in a few countries, such as Botswana and Nigeria (after the bitter experience of the civil war of 1967–70), has something resembling a "consociational" pattern been adopted.

The Arabic-speaking world in the postcolonial era found itself divided into more than 20 countries, from Morocco and Mauritania to Somalia and Oman—a circumstance that discouraged the development of democracy and instead fostered fantasies of wider unification under military leadership from Egypt's Gamal Abd al-Nasser to Libya's Muammar al-Qaddafi, Syria's Hafez al-Assad and Iraq's Saddam Hussein.

It would seem doubtful that ethnically divided countries such as the Soviet Union or Yugoslavia can proceed toward democratization until their problems of national identity are resolved. Recent guerrilla wars in countries such as the Philippines, Peru and Nicaragua, although often clad in ideology, have been largely based on ethnic differences. Even in Czechoslovakia, the recent communist demise gave rise to symbolic conflicts, such as the Slovaks' insistence on hyphenating "Czecho-Slovakia."

One of Gorbachev's most challenging tasks has been the need to conceive a more genuinely federal future for what otherwise is sure to become the "Soviet Disunion." Soviet Russia is the only colonial empire that survived the decolonization of the mid-twentieth century; as soon as glasnost and perestroika gave rise to free expression and genuine electoral alternatives, national conflict (as in the Transcaucasus and Central Asia) and secessionist aspirations (as in the Baltic states) came to the fore. Such nationality conflicts are aggravated by memories of the Stalinist policy of forced resettlement of entire ethnic groups—in glaring contrast to the official

[9] See his *Democracy in Plural Societies: A Comparative Evaluation*, New Haven, CT: Yale University Press, 1977.

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fiction of the Soviet Union as a voluntary confederation of equal nationalities.

The end of decades of repression by totalitarian bureaucracies brings out accumulated political frustrations and economic hardships. There is a widely felt need for group action—amid a vacuum of social organization and experienced leadership. In the resulting restlessness and confusion, people take out their resentments on those who seem "different"; hence the most reliable identifications prove to be those within linguistic or ethnic groups.

In sum, the breakdown of totalitarianism creates an unexpected level of tension and conflict. As long as some of these conflicts concern the identity of the future decision-making units, democratic evolution will be severely hampered. Certainly conflicts continue in established democracies—indeed the very method of political decision-making by voting among rival candidates and parties puts a premium on expressing latent conflicts. But the democratic way is to settle those conflicts by discussion, and that process is facilitated when the citizens speak, literally, the same language.

V

In the typical Western country it was the growing strength of the lower classes in the wake of the Industrial Revolution that forced the ultimate transfer of power from oligarchic to democratic regimes. In Western Europe in the nineteenth century (and indeed in England in 1640–88 and in the United States in the Jacksonian and Civil War periods) the major choice was between achieving broader political participation by peaceful compromise or by violent upheavals. Either way, the process was one of gradual evolution: universal and equal suffrage (even for males) was not achieved in most Western countries until the late nineteenth or early twentieth centuries.

The typical Western country thus went through a three-phase process of democratization: a preparatory phase of organization of competing parties amid deep-seated and unresolved class conflict; a decision phase when major compromises on political participation and procedures were adopted; and a habituation phase when politicians and citizens at large came to accept these procedures.[10]

[10] This three-phase model is elaborated in my article "Transitions to Democracy," *op. cit.*, pp. 352–61.

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In contrast to this phased, if mostly unplanned, historical process in the West, recent developments in Eastern Europe have reversed the preparatory and decision phases. There is unquestioned agreement, at least in the abstract, that democracy must be the government of the future, but no prolonged experience of struggle and compromise to prepare for effective democratic decision-making. The very experience of seeing regimes such as Latin American military dictatorships and now East European communism come and go is likely to beget cynicism and hence a lack of positive involvement. If to this is added economic hardship—due to drastic anti-inflationary measures in Latin America or fast-track transitions to capitalism in Eastern Europe—cynicism may become tinged with despair.

Whereas most Latin American countries have had earlier experience with democratic government, more than forty years of communism in Eastern Europe and over seventy years in the Soviet Union have left a complete vacuum of relevant experience in the conduct of organized, competitive politics. In 1989 a Solidarity leader in the newly elected Polish parliament reported, "When we introduced the idea of discipline, everybody said no, that's the old communist system." And when Solidarity leader Lech Wałęsa, in preparation for his own presidential candidacy in mid-1990, stated, "Poland needs a president with an axe in his hand, a tough determined man, set in his ways," one of his critics noted sarcastically that axes seem more appropriate for woodcutters than political leaders.[11]

In East Germany the postcommunist vacuum was filled, at least temporarily, by an inrush of West German politicians and organizations; West Germans (including native East Germans returning from decades in the West) will clearly have a continuing role in building the necessary political and economic infrastructure in the eastern parts of the country. Poland, whatever the current altercations, is fortunate to have the experience of the Solidarity trade union as a political network that survived a decade of illegality and persecution. Hungary may benefit from its period of economic decentralization under the post-1956 communist regime. Czechoslovakia has a tradition of 20 years of successful democracy (1918–38)

[11] *The New York Times*, Oct. 10, 1989, quoting Bronisław Geremek; and June 24, 1990, quoting Wałęsa.

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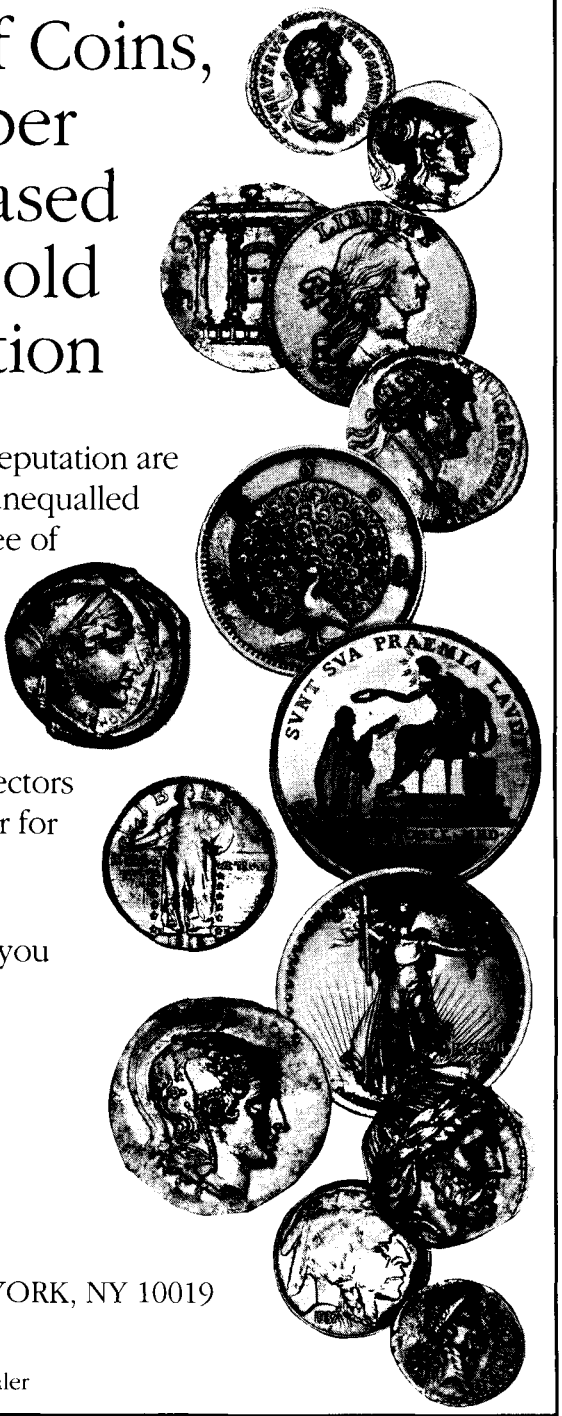

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to draw upon—although few of today's Czech and Slovak adults have more than childhood memories of that period. By contrast, there are few such resources to be drawn upon in Romania, Bulgaria or Albania.

The most urgent political need throughout the newly proclaimed East European democracies clearly is for dismantling the communist apparatus of centralized control and replacing it with a nonpartisan bureaucracy and stable, competing party organizations. Equally daunting are the tasks of alleviating the long-standing economic frustrations of the populace, privatizing the economy in the absence of any recent patterns of private ownership, and developing a new system of social benefits along the West European or Swedish socialist models.

For new democracies in the Third World, the priority task is to establish civilian control over the armed forces. Throughout the Third World, there has been a glaring discrepancy between the armed forces' function of external defense and their domestic political activity. Aside from Argentina's abortive 1982 attack, which led to the Falkland Islands/Malvinas war, Latin American military forces have fought no external wars since the War of the Pacific (Chile, Bolivia, Peru) of 1879–84 and the Chaco War (Paraguay, Bolivia) of 1932–35. Similarly the massive flow of arms into the Middle East has produced few international effects but a prolonged Arab-Israeli stalemate; the destruction of Lebanon; and, after eight years of war and perhaps a million casualties, a shift in the de facto Iraq-Iran border by a few miles or yards here and there.

On the domestic scene, however, arms have been available throughout the Third World to overthrow elected civilian regimes or to fight bloody and inconclusive guerrilla wars against fellow citizens. By the 1970s military coups had displaced civilian governments in a majority of the countries of the Asian periphery, the Middle East, Africa and Latin America. And, of course, what drew the soldiers into the political arena was not their own strength but rather the weakness of the political system. As Hobbes observed in the aftermath of Britain's seventeenth-century civil war, to hold political authority is "to trump in card-playing, save that in matter of government, when nothing else is turned up, clubs are trump."[12]

[12] "A Dialogue . . . of the Common Laws," in William Molesworth, ed., *English Works*, London: J. Bohn, 1839–45, vol. 6, p. 122.

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By the late 1980s, most Third World military regimes had yielded to elected civilians, and regional conflicts and civil wars were on the verge of settlement. Third World leaders, Latin Americans in particular, thus might wish to look closely at the courageous example of Costa Rica, which in 1949 abolished its army, and where economic and educational achievements far outrank those of its Central American neighbors.[13]

Similarly the superpowers and other developed countries might make a signal contribution to world democracy by agreeing to phase out their arms exports to the Third World and converting their present arms industries to producing machinery needed for economic development in the new democracies. But since arms exports to the Third World are a highly competitive business, their conversion to civilian uses obviously should be coordinated not only between the Soviet Union and the United States, but also among other major arms-exporting countries such as France, Britain, West Germany and, perhaps, China, Brazil and Israel.

In countries such as Mexico, Brazil, Nigeria and the Philippines prolonged military or one-party rule has engendered a pattern of patronage and corruption throughout the economy—aggravated in countries such as Colombia by the de facto military enclaves established by drug lords. Third World countries that have moved from military or authoritarian rule to democracy, in addition to establishing civilian control over the military and developing a democratic party system, thus must put an end to endemic government corruption and (in countries such as Argentina) save their currency from four-digit inflation.

The weakness of the political party structure in some Latin American countries is in part due to the fact that right-wing economic groups did not seriously support democratic parties, knowing that if the left needed to be counteracted they could rely on the military to mount another coup. Recently, however, there are some indications that after years of economic mismanagement by military establishments, businessmen in countries like Brazil and Uruguay, and perhaps Argentina and Peru, may be ready to involve themselves more seriously in democratic politics.

[13] Violeta Chamorro, as she prepared for her inauguration as the country's newly elected president, implied that Nicaragua might proceed in that same direction. It should be noted that, in the protracted Nicaraguan conflict, two of her four children were firmly committed to the Sandinista side, while the two others joined her in an equally firm commitment to the anti-Sandinistas. See *The New York Times*, Feb. 27, 1990.

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In building up their civilian democratic institutions, countries of Eastern Europe and the Third World will have to choose carefully among alternative constitutional and electoral systems. Centralized government may facilitate sweeping economic and political reforms, but carefully devised federal structures may alleviate ethnic and regional tensions. Presidential government brings with it the dangers of demagogic election campaigns and weak party organizations; it needs to be carefully balanced with such institutions as federalism and judicial independence.[14] Parliamentary government, on the other hand, can strengthen party responsibility, but it crucially depends on a respected and politically neutral head of state and a workable party system.

Among the major voting patterns, the Anglo-American system of plurality elections in single-member districts tends to foster stable two-party systems, but risks creating permanent regional minorities. By contrast, proportional representation of party lists makes for a proliferation of parties and recurrent parliamentary deadlocks, which threatened democracy in Weimar Germany in the 1920s and in Turkey in the 1970s, and paralyzed the political process in Greece and Israel in recent years.

VI

Since most new democracies of the late twentieth century were established in the wake of major economic failures by the preceding communist or military regimes, one of the first needs is for economic advice, investment and aid, for which there is a well-established (and by now hummingly busy) network, such as the International Monetary Fund and the World Bank, and private consultants. It would also be useful if some of the eminently successful newly industrialized countries such as South Korea, Taiwan and Singapore could provide similar advice. Of more direct political relevance are institutions such as the Konrad Adenauer and Friedrich Ebert foundations (affiliated respectively with West Germany's Christian and Social Democratic parties), which have been providing assistance for newly formed right- and left-of-center

[14] For a thoughtful argument in favor of parliamentary rather than presidential government, see Juan Linz, "The Perils of Presidentialism," *Journal of Democracy*, Winter 1990, pp. 51–70. He suggests that "the only presidential democracy with a long history of constitutional continuity is the United States"; p. 51.

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democratic parties in developing democracies. Following the June 1990 summit meeting in Washington and Camp David, White House Chief of Staff John Sununu agreed to travel to Moscow at President Gorbachev's request to provide expert advice on how to run a presidential office in a democracy. Generally the most useful service that the liberal democracies of Europe, the United States and Japan can provide to the world's struggling new democracies would seem to be the exchange of such technical information.

West European leaders, while proceeding with their own plans for closer economic and political integration, will also be engaged in growing economic and political contacts with Eastern Europe. And in the decades ahead an enlargement of the European Community to include other countries of Western and Eastern Europe (such as Sweden, Austria, Finland, Poland, Czechoslovakia, Hungary) as associate and eventually full members may be expected. This European example of economic and political union since the 1950s could serve as a model for Latin American countries in strengthening their processes of economic recovery and transition to democracy through regional cooperation and integration.

VII

James Bryce wisely noted in 1921 that "one road only has in the past led into democracy, viz., the wish to be rid of tangible evils."[15] Incipient democracies in former communist countries and the Third World must learn to deal forthrightly with their particular set of economic and political problems, and experienced liberal democracies should stand ready to provide needed advice.

What must be kept in mind in all these new contacts among private experts, government officials and international organizations is that democracy is a process of communication and an instrument of choice that offers alternative solutions to a given problem. Situations that confront rigid dictatorships with insoluble dilemmas thus allow democracies to show themselves at their best as mechanisms for change, specifically for orderly change among parties in power.

Thus democratic parties may have leaders subject to old age, illness or incompetence—but will be allowed to resolve such

[15] James Bryce, *Modern Democracies*, London: Macmillan, 1921, vol. 2, p. 602.

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leadership crises while in opposition. Similarly, economic crises are bad for any government, democratic or dictatorial, but they give democratic voters an incentive to transfer power to the opposition. Thus the Great Depression replaced right-wing governments with the Labour Party in Britain, the Social Democrats in Sweden, and the Democrats and Roosevelt's New Deal in the United States. Democratic governments that take the country into a binge of uncontrolled inflation are likely to be defeated by an opposition party that promises sweeping reform.

Democracies not only can choose their governments, they also can learn from one another. And by helping to resolve the urgent economic and political problems of nascent democracies, the growing network of advice and technical assistance will further emphasize the global character of the current movement toward democracy.

Deng's China for the moment is still excluding itself from this worldwide movement toward liberal democracy. National rivalries and conflicts of secession in the "Soviet Disunion" may pose a major danger to regional peace. And in many of the newly proclaimed democracies of Eastern Europe and the Third World, the road ahead is bound to be arduous and bumpy in many places. But there are no current equivalents of Napoleon, Hitler or Stalin to challenge the democratic movement in the name of any alternative principle.

The world, in what promises to be more than a half-century of global peace, has become safer for democracy than it was in 1945, 1917 or at any previous time. And that global character—and the cumulative effects that may be expected to flow from it—are clearly the most important assets of the current democratic revolution.

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A WORLD TRANSFORMED

Introduction

In the fall of 1989 as the scope of momentous international change, especially in Europe, became increasingly apparent, Peter G. Peterson, chairman of the Council on Foreign Relations, and the Council's Board of Directors initiated a new enterprise that became known as "Project Sea-Change." The primary purpose of the program was to generate a series of imaginative analyses of a radically changing American role in the world, which would be gathered together in book form. [1] No attempt was made to define a single comprehensive American foreign policy for a new era; rather, the authors were asked to describe a vision of the future in those key geographical and functional areas of greatest relevance to American security and well-being.

Our interest is to provoke thought about the early 21st century at a time when radical alterations in both internal governance and international practices have become imperative. Rigid distinctions between each country's foreign and domestic policies are dissipating. Economic and social factors—dependent on domestic prosperity and consensus—have become leading criteria for international standing, and there has been a flourishing of democratic values. American power based heavily on military leadership of a Cold War alliance will come under increasing challenge from allies, economic competitors and aggressive regional powers alike, yet the crisis in the Gulf demonstrates that the United States must remain prepared to lead the Western response to new threats to collective security.

In this issue, *Foreign Affairs* publishes excerpts from the chapters of *Sea-Changes*. The Council hopes that these excerpts and the full volume will help to open a wider debate on the future of America in the world.

Peter Tarnoff, President
Council on Foreign Relations

[1] *Sea-Changes: American Foreign Policy in a World Transformed*, edited by Nicholas X. Rizopoulos, New York: Council on Foreign Relations Press, 1990.

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Robert W. Tucker

1989 AND ALL THAT

The events of 1989 not only brought to an end the division of Europe, they also brought to an end the postwar role of the Soviet Union in Europe, for that role depended above all on the once clearly recognized division of the continent and, of course, the political-military consequences acknowledged to follow from that division. These consequences no longer obtain, however, and this despite the continued presence of Soviet forces in Europe. The view that they still do obtain, if admittedly in attenuated form, must depend on the possibility that the Soviet government—whether that of Mikhail Gorbachev or of a successor—may yet employ military power to prevent unwanted developments. If that prospect cannot be entirely ruled out, it nevertheless now remains so small that it may be all but discounted, for the military power needed to stay the developments that have now been set firmly in train—including German reunification—would have to be very considerable. To succeed, the effort required would greatly tax the Soviet Union's resources and, by doing so, place in further jeopardy, if not simply put an end to, efforts of domestic economic reform. The suppression once again of popular aspirations to freedom and self-determination in Eastern Europe would be seen as vindicating those opposed from the outset to liberalization in the Soviet Union. At best, such suppression would set the clock back 30 years in Soviet relations with the West. At worst, it would directly threaten a general war in Europe, if only because those circumstances that formerly assured the Soviet Union that military intervention could be undertaken in reasonable safety no longer exist. The division once clearly recognized, if not legitimized, is no longer so. The once acknowledged power, if not the right, to intervene is no longer acknowledged and would now be very dangerous to exercise.

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The end of Europe's division signals as well the end of the great conflict that has dominated world politics since World War II. It does so not because, as the conventional view has it, the Cold War arose out of the division of Europe and will therefore end when this division is ended, but because the abandonment by the Soviet Union of its core external interest marks the onset of the long-term decline of Soviet global power and influence. The principal cause of the Cold War was the essential duopoly of power left by World War II, a duopoly that quite naturally resulted in the filling of a vacuum (Europe) that had once been the center of the international system and the control of which would have conferred great, and perhaps decisive, power advantage to its possessor. What gave the resulting conflict its particular intensity, of course, was the profound ideological gulf that separated the Soviet Union and the United States. But the root cause of the conflict was to be found in the structural circumstances that characterized the international system at the close of World War II.

Although not the principal cause, Europe has unquestionably been the principal symptom and stake of the conflict. For this reason, as long as a divided Europe persisted, the Cold War could have been expected to persist. Even if that division had earlier been brought to an end, although in circumstances other than those that in fact have marked its end, the Cold War could have been expected to persist in some form. For it is very difficult to imagine even a reformed, though still vibrant and powerful, Soviet Union's long resisting the temptation to gain ascendant influence over a Europe that, whatever the extent of its economic integration, continued to lack political unity. Barring a radical change in America's outlook and policy, this nation could be expected to counter such Soviet aspirations.

It is not so much, then, the end of Europe's division that signals an end of the Cold War as it is the circumstance that above all led to this end: the decline of Soviet power. Nor does it matter here that this decline did not occur overnight, that its root causes are profound, and that its consequences might well have been put off for a number of years and remained unacknowledged by a different Soviet leadership. What does matter is that these consequences were acknowledged and acted upon in Europe by the present leadership. Once drawn they have become all but irreversible in the continent that gave rise to the Cold War.

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II

It is only in retrospect that we can appreciate the extent to which an entire worldview was conditioned by the great conflict that dominated the postwar period. Such was the pervasive influence of the Cold War on political vision that its effects often extended even to those who decried this influence. Ironically, the criticism regularly made of American foreign policy, that those responsible for its conduct saw virtually every issue through East-West lenses, was not infrequently true as well of those who made the charge. After more than four decades, the truths born of the Cold War have long ceased to have only a relative character.

The sudden end of the conflict has, not surprisingly, given rise to a situation for which it is difficult to find a real precedent. Arguments to the contrary notwithstanding, there does not appear to be an instructive modern historical parallel of a hegemonic conflict simply being terminated by the default in time of peace of one side. Yet this is what has happened in the present instance. By its actions in central and Eastern Europe, and by the increasing signs that it is prepared as well to abandon positions held elsewhere, the Soviet Union has largely withdrawn from the conflict that had come to be seen as almost interminable. In doing so, it has transformed the landscape of world politics almost beyond recognition. It has turned believers in the political truths of the postwar world into skeptics who sense, even when unwilling to acknowledge as such, that they have lost their once secure moorings. Nor does the sense of being put adrift extend simply to surface political phenomena. It reaches as well to the deeper forces at work in world politics.

Any speculation over the character of world politics in the coming decade (and quite likely in the following decade as well) must begin by addressing the question of how far it is reasonable to expect Soviet power and influence to decline. A brief answer is very far indeed. While the Soviet Union will continue to pose a security threat of sorts, simply by virtue of its continued possession of formidable military power, the usefulness of this power has already markedly declined and may be expected to decline still further in the years ahead. Having abandoned its most important geostrategic asset outside the Soviet Union, Moscow has already weakened its military position relative to that of Western Europe to an extent that finds a meaningful parallel only in military defeat.

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Yet it is not the growing debility of its external position that creates the principal doubt over the persistence of the threat that once confronted Western Europe, important as the weakening of its external position undoubtedly is, but the steady erosion of the Soviet domestic base. The many developments—political, economic, environmental, ethnic, ideological, and spiritual—that have marked this erosion need not be entered into here. Almost every conceivable pathology a society—and an empire—can suffer from has now made its appearance in the Soviet Union. That a society suffering from the several crises that now plague, and that will continue for years to plague, the Soviet Union may nevertheless somehow find the moral and material resources to pursue an assertive foreign policy seems altogether implausible. Instead, the expectation must be that the Soviet Union will increasingly follow a passive and contractive foreign policy and that it will do so whether the government of Mikhail Gorbachev remains in power or not. In either event, the retrenchment of Soviet power and influence in the world will in all likelihood continue. Indeed, this retrenchment may be expected to continue even should the Soviet domestic scene not worsen. But since that prospect is itself implausible, we may not unreasonably anticipate the time, which cannot be far removed, when the Soviet Union will for all practical purposes no longer actively function as a great power in the world.

If this estimate of the Soviet future is reasonably well founded, what are the consequences that may be expected to follow from it? The principal consequence will be evisceration of the Atlantic alliance. When alliances lose their common adversary, their normal fate is to break up. If this is not to be the fate of the Western alliance, the principal foundation of the postwar order, either the persistence of the old adversary and the threat it held out or a new adversary must be assumed. The former assumption, though, can no longer be realistically made, while the latter assumption presupposes a new world of multipolarity in which the glue holding the alliance together is the threat of protectionism and the eventual collapse of the international economy.

That a multipolar order will succeed the now passing bipolar order is clear. That the emerging multipolarity will differ markedly from the multipolarity of the 1970s and 1980s is equally clear. Whereas the multipolarity of yesterday took on meaning within the broader context of a persisting bipolarity,

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the multipolarity of tomorrow will not do so. Yesterday, Germany and Japan were great powers when judged by their economic productivity, their trade balances, and their financial surpluses; they were scarcely such when judged by their continued security dependence on the United States. Tomorrow, these states will be great powers not only in the sense that they already have been such for some time; they will be great powers as well in that the political impact of their economic power will no longer be qualified by a security dependence that imposes substantial constraints on their freedom of action in foreign policy.

In the case of Germany, this change is already apparent. In time, it is bound to appear yet more striking. The sudden recession of Soviet power has effected a revolution in the position of the Federal Republic and of the soon-to-be-unified state of Germany. What formerly constrained West Germany as no other major state in the postwar order was constrained is now gone. For almost half a century, the threat of Soviet military might conditioned, as did no other factor or combination of factors, West Germany's behavior. It is the virtual disappearance of this threat that has suddenly given rise once again to the "German Problem." In upsetting, if not simply destroying altogether, the postwar balance of power that had obtained for so long in Europe, the Soviet Union liberated the country that was the principal reason for, and object of, that balance. To be sure, the German Problem has arisen as well because a reunited Germany is seen to constitute a striking increase in size and power over the Federal Republic. But of far greater importance is the realization that a unified Germany will be largely free of the constraints that formerly bound a divided Germany. And while a new Germany may have every reason to behave with moderation and circumspection, the means of constraining it to do so are no longer apparent.

The singularity of Germany's transformed position is that it holds out the prospect not only of a greatly enhanced freedom of action but of a freedom to pursue an expansionist foreign policy in the name of the essential principles of legitimacy on which the postwar order has been based. This is clear enough in the case of a policy of reunification, a policy that would merely fulfill the decades-long Western commitment to German self-determination. It is equally true, however, in the case of a policy that is likely to lead to German economic prepon-

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derance over the states of central and Eastern Europe. The instruments for achieving such preponderance would be those that have long been considered entirely legitimate. They would presumably be employed in pursuit of an end—economic growth and development—avidly sought after by these states. To the objection that the successful pursuit of this end by Germany would result in the marked extension of German power and influence, the position may be and is taken that in the present international system, such extension does not carry the implications and entail the consequences it once did. Unless German economic preponderance in Eastern Europe threatens to take a military expression, the prevailing view seems to be, it is to be considered desirable. And since the possibility that it would again take a military expression appears virtually excluded, the conclusion is commonly drawn that there is no problem that needs to be addressed. Indeed, those who insist there is a problem, and that it arises simply from Germany's disproportionate economic power, are themselves often seen to harbor less-than-creditable motives. This is why West German Chancellor Helmut Kohl can declare: "There is a difference between understandable misgivings and fears and what is disguised as fear but is really economic jealousy." But if those holding the latter view must be discredited, those holding the former view must be educated and shown that, the issue of borders apart, there are in fact no "understandable misgivings and fears," and that talk to the contrary comes from those who are, in Kohl's words, "deliberately slandering the Germans."[1]

A rather more detached view nevertheless leads to much the same conclusion, that these misgivings and fears over German power and influence are largely groundless. It is roughly this: those who worry about the danger of a new disequilibrium in Europe do so because they continue to think of Europe in terms of the old politics with its obsession with the balancing of power. But the old politics presupposed a reliance in the last resort on forcible methods for achieving the ends of statecraft. Once that presupposition is no longer relevant, as it presumably will not be relevant in the emerging international order, the concern about equilibrium and the careful balancing of power also appears irrelevant.

[1] As quoted in Alan Riding, "Bonn Balks at Soviet Plea for Vote on German Unity," *The New York Times*, Feb. 4, 1990, p. 22.

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There is no easy response to this view, once the essential premise that underlies it is accepted. And that premise does appear increasingly persuasive. The forcible methods that traditionally defined and dominated European politics do indeed seem relegated to the past, now that the last great representative of these methods has apparently abandoned them. It is, after all, the Soviet government that has repeatedly declared that it is time to begin "the gradual dismantling of the outdated model of the European balance of forces"[2] and that has moved dramatically to make good on its words. This development cannot but have a crucial bearing on the judgment made of Germany's expanding economic, and political, role. For if that role holds out the prospect, as many contend, of altering the balance of power in Europe, the balance it alters is presumably a new one—a balance that is ultimately judged in economic terms rather than, as it once was, in economic and military terms.

Nor is this all. A unified Germany, no longer menaced by Soviet military might and confident in its role as Europe's most powerful economy, would have no reason to jeopardize a position from which growing power and influence over central and Eastern Europe seem all but inevitable by attempting to give this position a military dimension as well. It may be argued that this power and influence no longer hold out quite the same attractions that great powers and their statesmen once found so difficult to resist, but then neither do they hold out the old risks. A German push for the revision of frontiers or for the acquisition of nuclear weapons would surely revive the specter of these risks and by so doing provoke once again a hostile coalition against it. Why should Germany be tempted to take these paths, given all of the advantages of its present situation?

Thus the new reality in Europe is not the emergence only of a powerful German state, but of one that, so long as it eschews the old and disastrous ways, is likely to have few constraints placed on its freedom of action. Moreover, the commitment to the values of liberal democracy apart, a united Germany has every reason to eschew the old ways, for the new ways hold out the promise of achieving in substantial measure the perennial ends of statecraft. From this perspective, Germany has noth-

[2] John Iams, "Kremlin Ready to Cut Troops Without East-West Arms Pact," *The Washington Post*, Feb. 12, 1990, pp. A13, A17.

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ing to gain, though much to lose, by balking at the acceptance either of restrictions on arms, both conventional and nuclear, or of guarantees of now firmly sanctioned postwar borders.

Although Germany is free of the constraints of a bipolar world, the consequences of this freedom continue to be obscured. The principal consequence is that a unified Germany may now choose whether to pursue its destiny within or outside the framework of the Atlantic alliance. Neither the Soviet Union nor, for that matter, the major Western states are in a position to determine the nature of that choice. Does the nature of that choice matter a great deal? The prevailing view is that it does. A new German state, the now familiar argument runs, must be firmly anchored to the West through membership in the alliance; any other arrangement incurs the risk of a resurgence of aggressive German behavior. Above all, it is considered desirable that Germany retain its close ties to the United States, something that is best ensured by the retention of some American forces in the territory of what was once West Germany.

The difficulty with this view is that it not only addresses a past that is very unlikely to recur, it also addresses a future with the means of the past. The prospect is not a Germany bent on military aggression but a Germany bent on economic expansion. This prospect cannot be avoided, or contained, by Germany's continued membership in the Atlantic alliance. Nor can it be contained by a continued American military presence in Germany. These arrangements may provide a measure of psychological reassurance to Germany's neighbors; even so, such reassurance must be a classic instance of faute de mieux and in time will surely be so seen. The simple though apparently unpalatable truth is that the alliance ties, with or without American forces, can no longer be expected to serve the functions they once did. Nor can they be expected to elicit the support from German governments they once did. Instead, the prospect must be faced that in time, what plainly resembles a special dispensation for Germany will generate an increasing measure of resentment on the part of those who have long ceased to accept the burdens inherited from a receding past.

III

In comparison with the change effected in Germany by the end of the Cold War, that in the position of Japan appears much less dramatic. In Europe, the balance of power that

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dominated the continent since the late 1940s has been destroyed; in Asia, the balance that has existed since the 1960s—a balance that has comprised the United States, the Soviet Union, Japan, and China—has only been altered, and with effects that are not yet apparent. In Asia, there has not been to date an abandonment of interest and a recession of military power by the Soviet Union that finds a real parallel with the process now occurring in Europe. It may nevertheless be argued that sooner or later Moscow will initiate a comparable process in Asia and that it will do so with much the same motivation that has moved it in Europe—the need to obtain access to capital and technology. The role that Germany may play for the Soviet Union in the West, Japan may play for it in the East. This being the case, Moscow has every reason to reassure Japan about its basic security and to be forthcoming about particular issues in dispute, above all, the issue of the Northern Territories. This it seems reasonable to expect the Soviet government to do.

The point remains that the end of bipolarity cannot have an effect on Japan that is comparable to its effect on Germany. Just as the threat of Soviet military power never weighed as heavily on Japan as it did on West Germany, the operation of the balance in Asia never constrained Japan's freedom of action as the balance in Europe constrained the Federal Republic. For the same reason, the end of the Cold War does not appear to present the opportunities for the expansion of influence and power in Asia to Japan that it does in Europe to Germany. The decline of Soviet power cannot be expected to alter dramatically Japan's prospects for achieving greater power and influence in Asia. While that power and influence have grown markedly in the past decade and will doubtless continue to grow, they do not hold out the same opportunity that central and Eastern Europe hold out for Germany. The Japanese remain suspect in Asia to a degree the Germans do not in Europe. In contrast with the Germans, the Japanese have made little effort to come to terms with their past. A persisting cultural isolation from the rest of Asia also provides a striking contrast with the cultural affinity of Germany and Eastern Europe. Were it not for Japan's close postwar relationship with the United States, which has often shielded it from criticism in Asia, the consequences of these factors would be yet more apparent. Even so, their net effect is to limit the opportunities for Japan to use its economic power in Asia to

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establish a leadership and to exercise an influence that now appears open to Germany in Europe.

Whereas the German Problem has arisen because of the persuasion that a unified Germany will be not only a more powerful state than the Federal Republic but one that is free of the constraints that formerly bound a divided Germany, the "Japanese Problem" has arisen in the first place because of the conviction that Japan's international economic power has already become disproportionately great and promises—or threatens—to become still greater. This is why discussions of the Japanese problem are almost always prefaced by a now familiar recitation of statistics on trade and financial surpluses, on the growth of Japanese foreign investment, on the prospects of continued growth of the Japanese economy and, in turn, of what that projected growth portends for yet greater economic power in the world. To be sure, critics of Japan's ever increasing power in the international economy do not center their criticism on the fact of growth per se. It is the methods by which Japan has presumably achieved its present position, above all its trade practices, that form the core of their criticism. Yet it is by no means apparent that if Japan were to abandon many of these practices, the Japanese problem would disappear. Provided that Japan nevertheless retained a substantial measure of its competitive edge and therefore its favorable trading position, the likelihood is that the Japanese problem would persist and that critics would give even greater attention than they do today to the need for pervasive change in Japan's domestic economy and polity—change that would have as its general objective the conversion of a nation of producers (and savers) into a nation of consumers. For the real issue that forms the root of the matter, the disproportionate growth in Japan's economic power, would remain.

It has become a commonplace to observe that the transfer of wealth and economic power attendant on Japan's growth is one of the greatest, if not the greatest, that has occurred in time of peace. In marked contrast with earlier and less spectacular transfers, the political consequences of the present shift remain in large measure conjectural. That Japan will enjoy a greater measure of influence in international economic and financial institutions is apparent. What is not apparent are the more profound dimensions of Tokyo's economic and financial ascendancy. To date, Japan has yet to make a serious

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and determined effort to convert its economic and financial power into substantial political influence. Its reticence in this, however, cannot be expected to go on indefinitely.

The end of the Cold War and of a bipolar world will almost surely prompt Japan to take a more active political role in the international system. Japan will do so if only for the reason that the risks and liabilities attending a greater assertiveness will have diminished and will be seen to have diminished. The constraints on policy that, in the final reckoning, once had to be accepted because of a security dependence will now be increasingly called into question. With the expected change in the Soviet-Japanese relationship, the threat to Japan's physical security must decline almost to a vanishing point. Even if the recession of Soviet power in Asia were to occasion a greater Chinese assertiveness along its borders, which seems unlikely, this would not heighten Japan's physical insecurity. What might appear to do so would be the prospect of an alliance in all but name between the United States and China that had the containment of Japan as its principal objective. But such an alliance, even if it surmounted the obvious ideological barriers in its way, would still not respond to the interests of either party. While it could scarcely serve to contain Japan's economic power, its predictably traumatic effect on Tokyo could possibly move Japan to seriously consider the need for large-scale rearmament, even perhaps including the acquisition of nuclear arms.

Short of the limiting situation that a Washington-Beijing alliance might well be seen to represent, Japan has no vital interest that would be served by a large-scale rearmament. Its principal foreign policy interests are, and seem likely to remain, those of retaining access to the raw materials it needs and access to foreign markets. Even for the former interest, let alone for the latter, a large military force appears increasingly irrelevant. Although Japan may indeed face a threat of access to raw materials, particularly oil, it is difficult to see how any expansion of Japanese military power might respond to this. The expansion of Japanese power and influence in Asia and in the world does not depend upon Japan's becoming a great military power. If anything, the acquisition of such power would almost certainly prove to be far more a liability than an asset, for it would at once raise fears that have never been stilled. These fears would arise in Asia even if Japan were to have a plausible reason for again becoming an independent

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military power by virtue of the (altogether unlikely) withdrawal of the American security guarantee.

The same question raised with respect to Germany, then, seems equally appropriate to raise with respect to Japan. Why should Japan be tempted to follow the old ways, or even to appear to do so, given the advantages of its present situation? If those advantages do not appear quite as striking in Japan's case as they do in Germany's, they are still considerable. To lead in the growing economic integration of East Asia is no small matter, and this even if Japanese leadership is looked upon by those led with marked reserve. The criticism persists that Japan has yet to play the political role in the world that is both its right and its duty, and that this continued unwillingness or inability betrays a narrow self-centeredness. In an age when the critical political issues are increasingly economic in nature, this criticism is easily overdone. Japan already plays a political role, even if that role is not the conventional one. And with the end of the Cold War, a more conventional role as well is bound to emerge.

In the new order of multipolarity, neither Japan nor Germany can be expected to have the same relationship with the United States that it had during the Cold War. What will prevent the present relationships from falling apart? Certainly they will not lack reason for doing so. In the emerging order, threats to security will be increasingly defined in economic terms. This being so, threats to security will be implicit simply in the disparate and conflicting economic interests and policies of the major powers. If the persistence of the old adversary and the threat it once held out can no longer be counted on to provide the glue holding the Western alliance together, may a new threat be substituted? Can the threat of protectionism and the eventual collapse of the present international economy do for the multipolar world that is emerging what the threat of Soviet arms once did for the bipolar world that is vanishing?

There is no disagreement over the nature of the consequences likely to follow from a breakdown of the global economy. Were the growth that this economy fueled suddenly to cease, let alone to contract, the very foundations of the present international order would be endangered. For that order has increasingly come to rest, as never before, on the functioning of a global market that provides the indispensable means for the growth of national economies. The breakdown of that order would at once jeopardize in a fundamental way

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the political relationships of the major developed powers while opening as well the prospect of a degree of domestic instability these states have not experienced in the postwar era. Can the threat thus held out substitute for the old threat in ensuring the cooperative policies and measures needed to sustain the future international order?

A confident response requires a faith in the beneficent working of interdependence in a world that will continue to be dominated by the right of self-help that states have always laid claim to by virtue of their sovereignty and independence. That the right of self-help may be effectively asserted in the future by ever greater entities—that is, by the three great blocs many expect to form in the years ahead—does not hold out the promise that its effects will somehow prove benign. The possible hazards attending interdependence in a system of sovereign political entities were momentarily raised during the oil crisis of the 1970s and the far-reaching debate it provoked over the necessity and desirability of effecting a more equitable distribution of the world's wealth. In the context of what was then widely seen as a dangerous conflict emerging between the developed and rich states of the North and the developing and poor states of the South, it became clearer than ever that interdependence itself is not constitutive of order and, although creating the need for greater order, provides no assurance this need will be met. Interdependence creates the need for greater order because it is as much a source of conflict as of consensus. While promoting insecurity and competition, it does not itself provide the means for assuaging insecurity and setting bounds to competition. Even if interdependence is beneficial to all parties, its benefits may vary considerably. The perception of marked disparities in benefits may well provide a potent source of conflict.

There are, of course, large differences between the interdependence of North-South relationships and the interdependence of the developed great powers. In the economic realm, the inequality that still marks North-South relationships, and that still can give rise to deep resentment, finds no real counterpart in the relations between this country and Japan and Germany. In the case of Washington, Tokyo and Bonn, a tradition of working together, as well as a common outlook on many issues of trade and finance, also must enhance the prospects for dealing with the dilemmas of interdependence in the post-Cold War world. Even so, the interdependence of the

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future is bound to prove quite different from the interdependence of the past, which, after all, gave rise to its share of conflicts and, in the case of trade relationships between Japan and the United States, to a serious and persisting conflict. Given the recession of the Soviet threat, it is not unlikely that the interdependence of the future will be marked less by consensus and more by conflict, for the essential compact that held for roughly four decades between the protector and the protected will no longer hold. Whereas in the past significant economic differences arising between the United States and its major allies were unavoidably conditioned in the last resort by the security protection this country extended, this will no longer be true.

The interdependence of the emerging order is likely to be characterized not only by more economic conflict among its major actors but by conflict that will not be readily resolved. Conflict will not be readily resolved if only for the reason that the system will no longer have an apparent hegemon. It may be argued that in the economic sphere it has not had a dominant power for some time. Yet the continued security dependence of Germany and Japan undoubtedly served to compensate for the more modest economic position of the United States in recent years. In a radically altered security environment, this will no longer be the case and the consequences of the change in the nature of the American position may soon be laid bare. From an order that, despite all qualifications, had an acknowledged leader, the outlook is for an order that has no real leader but only partners. Experience indicates that this shift is nearly always critical. While a hegemonic power, if determined to do so, can impose a solution on the conflicts arising from interdependence, partners can only disagree.

The fate of interdependence in a world that is no longer dominated by the Cold War and that no longer has a hegemonic power necessarily remains speculative. What appears less uncertain is the nature of power in this world. The decline of military power, by now reasonably apparent, need not be compensated by the corresponding rise in the utility of economic power. Power is not a constant in human history. It may well be that in the international system of tomorrow, power itself will be progressively at a discount and that what military power can no longer do, economic power also will be unable to accomplish. Even so, the power that will remain is likely to be

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increasingly economic in character and take the form largely of financial and trade surpluses. In measuring power, the wealth of nations will no longer have the significance it once had, in that a nation's power will no longer be roughly proportionate to its collective wealth. Instead, it is the capital and goods at a nation's disposal to employ abroad that must increasingly form the yardstick of power. By this measurement, the power of Japan and Germany will be considerable. By the same measurement, the power of the United States will be relatively modest.

Thus, the ironic outcome of the past half-century is that at the moment of victory, our power and influence are diminished. If the end of the Cold War marked the virtual disappearance of the Soviet Union as a great power, certainly as a great power in Europe, it also marked a visible decline in America's role. That decline, the consequence of the adversary's sudden disappearance and America's peculiar economic position, was only too apparent during 1989 in the unfolding European drama.

IV

It is all but inevitable that the end of the Cold War will give rise to yet another debate over American foreign policy. The signs of such debate are already apparent in the emergent dialogue between those who believe that we should once again play a much more modest role in the world and those who believe that America's post-World War II role must be held up as the model for the future. To date, it is the supporters of continuity who clearly appear to enjoy a position of advantage. But this is to be accounted for in part by the persisting view that their position responds, after all, to the natural order of things. Once it becomes clear that this order, the postwar dispensation, is no more and that we now live in a very different world, the advantage that is conferred by the force of the habitual will erode. The advocates of change will then have their day.

The case for having the United States play a far more modest role in the post-Cold War world is rooted in the history of the past fifty years and the vast changes that have occurred during this period. America abandoned a policy of isolation and intervened in World War II because a fascist victory would have threatened the nation's physical security and material well-being. This threat apart, a fascist victory also held out the

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prospect of a world in which America's political and economic frontiers would have to become coterminous with its territorial frontiers, a world in which societies that shared our institutions and values might very possibly disappear—in sum, a world in which the American example and American influence would become irrelevant. In such a world, it was believed, America would find it difficult, and perhaps impossible, to realize its promise, since a hostile world from which America was shut out would inevitably affect the integrity of the nation's institutions and the quality of its domestic life. The issues of physical security and economic well-being apart, it was to prevent this prospect from materializing that the United States abandoned its interwar isolationism and intervened in World War II.

It was for roughly the same reasons that, in the years following the war, this country adopted a policy of containing Soviet power. The initial measures of containment, the Marshall Plan and the Atlantic alliance, formally expressed and thereby made unmistakable the vital American interest in preserving the security and independence of the nations of Western Europe. In the context of Soviet-American rivalry, they formed a clear acknowledgment that the domination of Western Europe by the Soviet Union might well shift the balance of power decisively against the United States and that, at the very least, such domination would result in a security problem that would severely strain the nation's resources and jeopardize its institutions.

Although the circumstances of the late 1940s made the application of containment roughly identical with a conventional balance of power policy, from the outset containment also expressed an interest that went beyond security, narrowly conceived. From the outset, a conventional security interest was joined with a broader interest in preserving and extending the institutions of freedom. The Truman Doctrine expressed these two aspects of containment, that of organizing power and that of vindicating purpose. In its refusal to distinguish clearly between the two aspects, the Truman Doctrine foreshadowed the subsequent history of containment and the refusal to distinguish clearly between the interest in securing a balance of power and the interest in extending freedom. That refusal, in turn, has reflected the conviction, deeply rooted in the American consciousness, that the successful pursuit of the American purpose is, in the long term, the only truly reliable method of achieving both peace and security.

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The outcome of the Cold War has at last put an end to the circumstances that required America's intervention, first in a global conflict and then in a protracted contest that came to encompass most of the world. In the fifty years that have elapsed since the abandonment of isolation, the structure of American security, both in its narrower and in its broader dimensions, has changed radically. It has changed radically by virtue of the military defeat (or, in the case of the Soviet Union, the functional equivalent of military defeat) of those powers that threatened the nation's physical security. And it has changed radically by virtue of the progressive triumph of those institutions and values the extension of which has long formed the American purpose—a purpose that has in turn been equated with the nation's greater-than-physical security. The prospect of a world in which the American example and the influence of American institutions and values might decline, let alone become irrelevant, has never seemed more remote.

It is quite true that as a result of nuclear-missile weapons, the United States is physically vulnerable today in a way it was not vulnerable in the interwar period. But this ultimate vulnerability cannot be significantly reduced—let alone removed—by the attempt to retain our postwar role. Against the possibility of attack by nuclear-missile weapons, a possibility that will exist as long as nuclear weapons exist, our present alliances afford little, if any, protection. In any event, that possibility must be considered virtually negligible today not only because our once great adversary no longer lays claim to interests and harbors ambitions that could lead to situations in which nuclear weapons might be threatened, but also because experience has shown how limited the utility of these weapons is, save for defensive purposes.

These are the general considerations in support of having the United States play a far more modest world role in the post-Cold War period. The conclusions they suggest are apparent. The reasons that prompted this country to play the great role it did for half a century are no longer valid. A new world has come into being, one in which America's security in both its narrower and its broader dimensions is no longer at serious risk. This being the case, it must be asked, why should this country persist in efforts that respond to circumstances now past? Why should it continue to maintain substantial forces in Europe and in the western Pacific? Whose interests are served by its doing so?

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There are, of course, the constraints imposed by a period of transition. But these constraints apart, the case for maintaining a continuity of role rests essentially on the propositions that the world will have a continuing need for a power able to maintain peace and stability and that only this country can fill that need. The United States must preserve a peace that remains fragile. It must do so because it is not only the world's greatest power but the most trusted one. The argument for preserving a continuity of role thus increasingly resembles today the rationale for collective security rather than for alliances. The peacekeeping role we are now urged to pursue is one that is directed no longer against a particular state or states, but against disturbers of the peace regardless of their identity. Accordingly, the interests that are served by accepting this peacekeeping role are those of the international community as a whole.

Although the principal sources of instability are usually described in general terms, it is apparent that they are now considered to be our major postwar allies, Germany and Japan. The need of retaining a substantial American military presence in Europe and in Asia is primarily to reassure the neighbors of these states. To reassure them against what, however? If the answer is to reassure them against the threat of military expansion, the political reality will be that of tacit alliances between the United States and the neighbors of Germany and Japan that have as their object the containment of these two states. In time, such arrangements are bound to generate resentment on the part of those who have been made the objects of these alliances—and this despite their initial approval and even support of them—for the continued presence of American forces will be a constant reminder to both states that they remain less than trusted by others.

On the other hand, if the purpose of maintaining a substantial American presence in Europe and Asia is to safeguard against an economic preponderance that in time may be transformed into political influence as well, the means for doing so seem quite inadequate to the end. There is no apparent way by which an American military presence, whatever its size, can contain the expansion of German and Japanese economic power. In time, this is bound to become clear to those who may have initially experienced a measure of reassurance from the continuation of this presence. When it does, the American presence may retrospectively be viewed

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not as having impeded but as having facilitated an expansion the consequences of which are viewed with increasing apprehension and even resentment by those who have come to believe they were lulled into a false sense of security.

At the heart of the position favoring a continuity of role is, more often than not, the unspoken assumption that even though the Cold War may have come to an end, all else will go on largely as before. We will remain the leader even though we can no longer lead quite in the manner of yesterday. Our major allies will continue to need us even though we are no longer needed quite as much as before. The satisfactions of our position will persist even though they may no longer be quite as apparent as they once were. Unfortunately, we are due for a rude awakening. The leadership role that persisted as long as the Cold War persisted is very unlikely to survive the end of that conflict. It is unlikely to do so simply because we will not be needed as before. And although the change in role will almost at once be apparent in the case of Germany, it will in a less dramatic manner eventually become apparent in the case of Japan as well.

In principle, it is of course possible that this country might retain a leadership role though the functions and frustrations of that role change. This is evidently what many supporters of continuity have in mind. With the ending of the Cold War, the United States will presumably change from leader of an alliance formed to counter the threat of Soviet power to leader of a community of nations that needs the American presence in order to maintain a still fragile peace and stability. In practice, this change in function from that of defending freedom to that of ensuring order is apt to prove critical. Not only is the latter function a considerably more complicated one, it is also a much less appealing one. Certainly it must prove far less appealing to this nation. The American purpose was never seen to imply that we should play the role of policeman to the world. It did imply that we might one day have to free the world, though not to police it. One polices the world because men and nations are recalcitrant, because they often have deeply conflicting aspirations, and because they are usually influenced more by precept than by example—even the best of examples. These are the convictions of a traditional outlook on statecraft; they are not the convictions that have moved this nation.

Even if the neutral role of policeman were more congenial

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to this nation, the question that it holds out for us would insistently arise. It must not be assumed that the rewards for being policeman to the world will be the same as were the rewards for being defender of the free world. They will not be the same. The deference, such as it was, shown in the past to American interests and wishes is unlikely to be shown in the future, since the principal incentive for according such deference will no longer be apparent. In the past, the security America provided its allies was security against a quite specific threat—a threat, moreover, that the protected could not begin to counter effectively with their own unaided resources. In the future, this will no longer be the case. The function of preserving order may, of course, be considered a security-conferring function as well, but it is not one that is directed against a particular party. Instead, it is directed against a general threat, a threat to peace and stability, regardless of the identity of the party responsible for the threat. This being so, the utility of America to its major Cold War allies will of necessity become ambiguous in the new dispensation. Circumstances may even arise in which the policeman's role will require that we place ourselves in opposition to our former allies.

At best, then, the expectation must be that the American role will be viewed in the future with more diffidence by others than it was in the past. It will be exercised on behalf of those who will find much less need for it than they once did. Even when its exercise appears clearly to respond to need—for example, in the event of a renewed threat of access to the oil of the Persian Gulf—it may elicit little cooperation from those we regard as among the principal beneficiaries. These states will constitute our principal trading partners, states with which we may then, as now, run a deficit. With the Cold War a receding memory, but with financial stringency a persisting reality, how long can we be expected to maintain a role that, while no longer required for our security, is viewed by others with the mixture of ingratitude and resentment that has always been the lot of the policeman?

This, in brief, is the case for why the United States should play a much more modest role in the post-Cold War world. Persuasive though this case is in many respects, doubt must nevertheless persist that it foreshadows the future. Great powers are not in the habit of voluntarily relinquishing the role to which they have become accustomed, and this despite

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the fact that the circumstances initially prompting the assumption of the role have changed. It may be argued that when the attainment of great power was relatively easy, as it was for this country, the relinquishing of power should prove correspondingly easy, and particularly so given America's historic traditions. But against this view of easy come, easy go, must be set the consideration that the American experience in world leadership has been, on the whole, a remarkably successful one. In statecraft, as elsewhere, success normally leads not to withdrawal but to reengagement.

Still more important than these considerations, it would seem, is the process whereby over time, a role becomes invested with a force and sentiment that render it increasingly invulnerable to criticism and change. Then, too, there is seldom a lack of plausible justification for maintaining a role that has come to be seen as part of the accepted order of things and that has been attended by success. America's postwar role has been so important and pervasive, it is difficult to imagine a world in which that role is substantially diminished. At the same time, it is not difficult for many to imagine the dangers a marked diminution of the American presence would bring in its wake. Although the threat of Soviet arms has receded, the threat of global instability has taken its place. In Europe and, even more, in Asia, this threat of renewed competitions in arms and of heightened tensions can supposedly be kept down only by maintaining the American commitment and presence.

This justification for preserving a continuity of role cannot be effectively turned aside by pointing out that it is quite likely mistaken in its assumptions about the role of force in the international system now emerging, just as it is quite likely mistaken in its assumptions about the principal threat to global stability in the period ahead. Even if it can be shown that these assumptions are probably misplaced, and that the emerging system will be both peaceful and stable, and almost surely in the mutual relations of the great powers, events might always turn out otherwise. There is no way of *knowing*, for example, what the effect would be of withdrawing American forces from Japan. That such withdrawal would lead Japan's neighbors to arm themselves as they have not done in the postwar period and that this response would in turn prompt Japan to new arms efforts seems unlikely. Yet this result cannot simply be precluded. It is even possible that a withdrawal of American forces might in time cause Japan to seriously consider acquir-

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ing nuclear arms, and this despite America's continued willingness to guarantee Japan's security.

These considerations reflect the innate caution and conservatism that normally mark the conduct of foreign policy. What may well give them a special persuasiveness is the prospect that the substance of role may be maintained, though at markedly diminished costs. Whether calculated in blood or in treasure, this prospect does appear increasingly likely. To the extent that force is actively employed as a means of policy, the expectation must be that it will be limited to demonstrative uses (Grenada, Libya, Panama, etc.). In time, limitations on the use of military power will be reflected in the size of the nation's military forces. Even if the ancient game itself has not at last changed, it holds out the promise today of having moderated to a degree altogether unexpected only yesterday. This moderation may prove to be the essential condition for maintaining a role that was taken on for reasons and in circumstances that are now a matter of the past.

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Stanley Hoffmann

A NEW WORLD AND ITS TROUBLES

We are entering a new phase of history. It is assuredly not the "end of history,"[1] a silly notion based on a series of mistaken assumptions (that the death of communism means the definitive triumph of Western liberalism, the end of ideology, and the coming of a "boring" era of material concerns and unheroic squabbles); it is a period in which the discrepancy between the formal organization of the world into states and the realities of power, which do not resemble those of any past international system, will create formidable contradictions and difficulties.

Miles Kahler indicates why even the shift from traditional goals and tools to economic ones is not likely to lead to peace and quiet. First, there is a huge array of possible "traditional" quarrels, in a world where there is at least still one ideology of violent conflict—Islamic fundamentalism—and where the disappearance or decay of secular ideologies leaves nationalism, over much of the planet, as the only glue of loyalty. The Arab-Israeli conflict, Kashmir and Cyprus are daily reminders of gloomy forms of permanence. Evidence of the declining utility of force for the superpowers and for other major actors, such as the nations of Western Europe and Japan, may not deter those for whom passion overruns cost-benefit analysis, and those for whom force seems the only alternative to despair, humiliation, or destruction. If one remembers that the increased economic capabilities of smaller states, alluded to by Joseph Nye in his latest book,[2] allow them to buy or build formidable modern arsenals and to make themselves largely independent of arms shipments by fickle superpowers—and if one believes, as Robert W. Tucker and I do, that the latter, no longer chasing each other all over the world, may play less of

[1] I am referring to Francis Fukuyama's notorious essay "The End of History," *The National Interest*, Summer 1989, pp. 3–18.

[2] See Joseph Nye, *Bound to Lead* (New York: Basic Books 1990), ch. 6.

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a moderating role in such regional conflicts now that their potential as triggers of a superpower collision has vanished—there is then no reason to expect that the traditional arena of world politics will be empty or boring—except, perhaps, strangely and happily enough, in Europe, prophets of recurrent doom notwithstanding.[3]

Second, the realm of interdependence will also breed conflicts that could be serious. Among the advanced countries, the different strategies chosen by the main players in the quest for market shares and wealth may become incompatible if they lead to permanent imbalances. This is already the message of the so-called revisionists who point out that the Japanese brand of neomercantilism—which subordinates the interests of consumers to those of producers, entails a deliberate and long-term strategy aimed at gaining the lead in advanced technologies, and results in a "continued displacement of industrial sectors and the shift of technological capability toward Japan"[4]—may not be reconcilable with America's consumer orientation, lack of industrial policy and lesser "ability to adapt quickly to changing circumstances."[5] Conflicts over trade and industrial policy ultimately involve as stakes both the power of states, since wealth is a component of power (even though the uses of economic power are often constrained or capable of boomeranging), and the fate of labor at home. Without the restraining force exerted by the Cold War and by the need of West Europeans and Japanese for American protection, such conflicts could become acute.

The potential for trouble, not between the "North" and "South," but between the advanced countries and certain groups of less-developed ones, is equally serious. It is often said that the poorer among the latter cannot cause much harm, whatever they do. This may be true, in cases other than oil, if harm is defined in purely economic terms. But radical anti-Western ideologies could turn fiercely against the institutions and agents of Western capitalism; also, the weakness and heterogeneity of some of these states and the pressure of increasing populations, may well lead to violent regional conflicts, as well as to formidable quarrels over immigration

[3] For such a prophecy, see John J. Mearsheimer's "Back to the Future: Instability in Europe after the Cold War," *International Security*, Summer 1990, pp. 5–56.

[4] James Fallows, Chalmers Johnson, Clyde Prestowitz, and Karel van Wolferen, "Beyond Japan Bashing," *U.S. News & World Report*, May 7, 1990, pp. 54–55.

[5] Edson W. Spencer, "Japan as Competitor," *Foreign Policy*, Spring 1990, p. 165.

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and refuge to and expulsions from the richer countries. Two of the problems that have become urgent, drugs and the environment, could all too easily lead to confrontations between advanced states eager to protect their health and their future, and states such as those of South America that need to cultivate drugs, or to forgo strict protection of the environment, in order to develop.

Third, the conflicts between state and people must be taken seriously, too—not only because popular or populist attacks on ill-constituted states and unacceptable governments, or governmental attempts to divert such attacks, could lead to interstate troubles, but also because the victory of "people power" is neither a guarantee of moderate behavior abroad nor at all guaranteed. Popular victories can trample over minority rights and create nationalist explosions. Conversely, democratic revolutions may wilt if the winners get bogged down in party squabbles and parochial issues, or else caught between the "demands" of the world business civilization and domestic discontent, and replaced by authoritarian or military rulers. This, in turn, may be bad, both for regional peace and for the cause of human rights.

II

It is not possible for Americans to walk away from these problems simply because none of them concentrates the mind and creates a danger for our physical security comparable to the Soviet threat. The role of the United States will have to be quite different from that of the past forty years, and the reasons Tucker gives for rejecting both a policy defined in traditional balance of power terms and a mission of world policeman are compelling. However, an American total retreat toward domestic reform would be a serious moral and political mistake, comparable to the return to isolationism in 1919–1920. Indeed, the scope of American involvements abroad (however much the end of the Cold War may allow us to reduce them)—"ethnic empathy toward various parts of the world, popular sympathies for the underdog,"[6] and the pressure of interests affected by the global economy—make such a full retrenchment unlikely.

On the other hand, the changes in power that have been

[6] Charles W. Maynes, "America Without the Cold War," *Foreign Policy*, Spring 1990, p. 13.

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stressed in the current discussion limit the ability of the United States to set the rules and to provide the solutions. As John Zysman noted in a recent article,[7] the shift from military to economic influence hurts the United States, insofar as others depend less on American military technology, and in the economic realm a United States deep in debt is far from the free giant it was after the war; our ability to extract foreign policy gains from economic power has dropped, and we depend increasingly on foreign sources for important products and technologies. The various failures of American policy have their roots in the place that is the real locus of America's decline: not imperial overstretch, nor any catastrophic fall in aggregate figures of material resources, but the domestic components of power—low savings; insufficient productive investments, especially in leading sectors; the obsession of business with short-term profits; a poor system of technical education; and, above all, a failing capacity to mobilize tangible and intangible resources, which results from the bad state of American infrastructure (especially urban), popular resistance to taxation and a lack of leadership.

The United States, after a decade of celebration of its ability to deal with the world's problems by its own means, finds itself in a bind. The three principles that have guided its foreign policy—American exceptionalism, anticommunism and world economic liberalism—are of little help, because others are less receptive, or because "victory" has made anticommunism irrelevant, or because the market itself is the problem (as in U.S.–Japanese relations) or provides no answers (as in ecological matters). Persisting with the trade and budget deficits increases American dependence on creditors; eliminating those deficits would require either measures that would disrupt the world economy (protectionism) or decisions that would bring about a complete and painful reorientation of American fiscal and industrial policy. If U.S. statesmen do not address the domestic issues that deeply worry the people but that, in the absence of leadership, leave it adrift, America's ability to affect world affairs positively will decline further, and we will find ourselves on a road comparable to that on which the Soviet Union is now skidding. However, if the United States addresses its internal problems, the resources it will

[7] "Redoubling the Bet," BRIE Working Paper, no. 38 (Berkeley: University of California, January 1990), p. 20.

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need to raise will not be available for external purposes. America faces a heavy bill, the product of the weaknesses of its own unregulated and often uncalculating economic systems, of those of its decentralized and byzantine political system, and of the Cold War.

The tensions, contradictions and conflicts described here will therefore not be manageable unless we find the methods and found the institutions of planetary governance that are now indispensable. Laissez-faire and the invisible hand are not capable of resolving such issues as population growth and movements, the environment's destruction, famines and epidemics and the distributional effects (among and within states) of the "business civilization." It is of course true that the demands of the people and the short lives of democratic governments make multilateral cooperation difficult, but they also make it necessary. At this stage, the states remain the only legitimate public authorities and mobilizers of public resources, but the problems they face—those I have just mentioned, but also those of "megascience" and large-scale technology, discussed by Kenneth H. Keller—demand cooperative solutions. Moreover, the very dynamism of the world economy and its restless reallocation of wealth and power require the same kind of political control at the global level that the "political realm" of authority, the state, provides at the country level; and that control, too, can come, so far, only from a pooling of state efforts.

It is therefore, to use Richard N. Gardner's terms, for a "comeback of liberal internationalism" that one must plead.[8] Each person may have his or her own favorite blueprint, but the main directions are clear. Among the advanced countries (including—or rather, and also—the Soviet Union), the main tasks will be, first, the establishment of a new security system in Europe, which will probably be a mix of a much-reformed NATO no longer dominated by the United States, a Western European defense organization, and an organization set by the Conference on Security and Cooperation in Europe; second, an agreement among the main suppliers of arms and advanced technologies to restrict such sales drastically, to strengthen the nuclear nonproliferation regime, and to establish regional arms limitation and conflict resolution regimes;

[8] "The Comeback of Liberal Internationalism," *The Washington Quarterly*, Summer 1990, pp. 23–39.

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third, a deal to redistribute power—now still largely in the hands of the United States—among the main actors in the international financial and economic organizations, the United States, Japan, and the European Community.

The end of the Cold War and of the straitjacket of worldwide East-West security concerns should allow the advanced countries to concentrate their efforts on social, economic and political conditions in an increasingly diversified "South." Both ecological imperatives and the issue of the population pressure of the poor and the refugees require a set of bargains, thanks to which ample resources will, through multilateral assistance and with the participation of the leading private firms, be made available to the developing countries, in exchange for commitments on environmental protection, health care, energy efficiency, agricultural productivity and human rights. The demands on the resources of the richer states—caught between the needs and expectations of their own people and the fear of external chaos—will be both so large and so conflicting that organizations for regional and global cooperation will have to be strengthened, through guaranteed revenues, the creation of independent secretariats, and frequent high-level meetings.

What is proposed here is very much a halfway house: not a world government for which states and peoples are unprepared (and that the managers of the world business civilization would not like), but a new experiment in polycentric steering, in which the three major economic powers—plus the Soviet Union if it overcomes its problems, and perhaps China once it begins to turn its potential into effective power (something that would require drastic political changes)—would form a central steering group, and in which regional powers would play comparable roles in their areas. Nothing like this has ever been tried—but then, the hidden theme of this essay has been the advent of discontinuity in international affairs.

Two big question marks remain. First, will a development of multilateral diplomacy and institutions not merely add a layer to the three—the global market, the states, the people—that exist already, and simply add cooperative inefficiency to market inequities, state erosion and popular discontent? Will it help global unification or make for more fragmentation (including, now, among international and regional agencies)? The risk exists; the example of the European Community shows that where the will can be found, the danger can be

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overcome. Second, will the United States be willing to commit itself, and sufficient resources, to such a path? The answer could be yes, on two conditions: if adequate leadership can at last be provided—leadership that would understand and explain that, as Kahler puts it, "unilateral American action is likely to be less effective, and the workings of an untrammeled market . . . less desirable than . . . international collaboration"; and if domestic reform to provide for the underpinnings of power is undertaken. Without such reform, popular turbulence and resentments against competitors will mount. To be sure, such reform will require fiscal sacrifices, and while it absorbs attention and funds, America's own contributions to the needs of others might remain limited. But none of America's problems at home or abroad can be solved if "people power" is equated with no new taxes; and in the immediate future, one of the welcome effects of the diffusion of power is the ability of Western Europe and Japan (already the largest donor of foreign aid) to play a larger role.

III

The world after the Cold War will not resemble any world of the past. From a "structural" point of view—the distribution of capabilities—it will be multipolar. But the poles will have different currencies of power—military (the Soviets), economic and financial (Japan and Germany), demographic (China and India), military and economic (the United States)—and different productivities of power—demographic power is more a liability than an asset, the utility of military might is reduced, only economic power is fully useful because it is the capacity to influence others by bringing them the very goods they crave. Moreover, each of these poles will be, at least to some extent, mired in a world economy that limits its freedom of action. What we do not know is what relations are going to develop among these actors, what institutional links they will set up to manage their relations with one another, and their relations with the rest of the world, in a context of vigilant, demanding and often turbulently mobilized masses. The fate of this new world will depend on the ability of the "poles" to cooperate enough in order to prevent or moderate conflicts, including regional ones, and to correct those imbalances of the world economy that would otherwise induce some states, or their publics, to pull away from or to disrupt the momentum of interdependence. Above all, it will depend on domestic

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currents that remain highly difficult to predict. Since foreign policy today is so largely shaped by domestic demands and expectations, the most dangerous remaining tension, and the most difficult to overcome, is that between the global dimension of the issues that foreign policy will have to deal with and the fact that political life remains, at best, limited to the horizons of the state and is, often, even challenging the unity, the borders and the effectiveness of the state.

The world is like a bus whose driver—the global economy—is not in full control of the engine and is himself out of control, in which children—the people—are tempted to step on either the brake or the gas pedal, and adults—the states—are worried passengers. A league of passengers may not be enough to keep the bus on the road, but there is no better solution yet.

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Kenneth H. Keller

SCIENCE AND TECHNOLOGY

Extraordinarily rapid growth in scientific knowledge in the latter part of the twentieth century, coupled with technological innovation and expansion, is having a profound influence on our lives. One manifestation of that influence is the effect of certain scientific and technological trends on American foreign policy, (a) constraining, (b) enabling or (c) forcing new choices in the positions that the U.S. government can take in promoting its global interests.

Science and technology (S&T) affect society at several levels. New technologies and products can ease or burden our individual and collective lives. Technological advances have been a cornerstone in national security planning and military strategy, particularly since World War II. S&T developments are central factors in determining our national economic competitiveness. Beyond these direct influences, scientific and technological development can have a profound effect on the values, institutions and patterns of decision-making of the society as a whole. To understand the influence of S&T on society generally and on American foreign policy in particular, it is necessary to consider the *processes* of scientific and technological development as well as its *products*, paying particular attention to the complex interaction of technical, social and cultural factors that affect and are affected by them.

II

In terms of impact on foreign policy concerns over the next decade, the trends in the following S&T areas appear to be of singular importance: biosciences; materials science; information technologies; "big" science; and large-scale technology.[1]

Biosciences. In the first half of the twentieth century, physics

[1] The first three are particular fields of S&T in which there has been a remarkable growth in knowledge and influence; the last two describe the significantly changing characteristics of the processes of S&T. They are not listed in order of importance.

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occupied the most prominent position among the sciences, leading the way in increasing our understanding of nature through the development of atomic theory, quantum theory and particle physics. Its power lay not only in the extraordinary novelty of the ideas it presented, which altered our views on the nature of matter and energy, but also in the applicability of those ideas, which form the basis of most of today's technology.

It now appears that the biosciences have displaced physics in that leading role. Molecular biology and cellular biology, in particular, but ecology as well, have taken biology beyond its descriptive phase into the development of powerful models and experimental techniques that are helping us to understand the most fundamental of life processes. This, in turn, is allowing us to create and alter life-forms, blurring the distinction between "natural" and "synthetic," and raising important and difficult issues *with international implications* concerning property rights and the appropriate limits, if any, on "interfering" with nature. The consequences are already manifest in the debate among developed nations about patenting life-forms, a debate that may cast a new light on the question of how a nation's natural resources should be treated in international commerce in comparison with the treatment of materials created through biosynthetic means.[2]

As physics did at an earlier time, the biosciences emerge as important because of their technological potential. As our basic scientific understanding has increased, we have been able to link the various fields in which biology is applied, from agriculture to medicine, benefiting from the cross-fertilization of research and development between historically distinct disciplines, and making extraordinarily rapid advances in each of them. Our ability to tinker with the machinery of life is allowing us to create disease- and weather-resistant plants, to program bacteria to clean up pollutants or to manufacture rare chemicals and to custom-design drugs to combat disease.

What distinguishes these technological developments from the earlier ones that grew out of physics is their intimate connection to agriculture and health, areas of great political sensitivity and social importance. In this respect, international

[2] For example, if life-forms can be patented, is a nation entitled to license and collect royalties on the use of germ plasma removed from its territory by a company in the course of developing a genetically engineered wheat seed?

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technology transfer in the biological fields is a matter not simply of sharing the benefits or luxuries of a consumer society, but of sharing the means of survival. As a result, strong humanitarian considerations affect (and sometimes dominate) technology-transfer policy development. Furthermore, as sophisticated technology collides with varying cultural norms in the application of biology, the issues in trade and technology exchange negotiations are made more complicated. Some examples:

—In development aid, the United States has been attempting to shift to programs that stimulate and rely on market mechanisms. However, where the solution to specific Third World health problems involves high-cost, high-technology medical therapies, which developing countries are unlikely to be able to afford, straightforward market approaches will not work and alternative ways will have to be found to make such therapies available if humanitarian goals are to be achieved.

—It is unlikely that a multilateral framework such as the General Agreement on Tariffs and Trade will be suitable for negotiating trade and technology agreements where biotechnology is involved, since noneconomic issues quite specific to each trading partner are likely to be as important as economic ones (limits on genetic alteration of plants and people, standards for drug testing, protection of individuals participating as subjects in clinical investigations).

—The increasing technological sophistication of agricultural research is requiring greater use of American university equipment and facilities in support of international aid programs. This is creating domestic political problems because of the strong tradition of regional "ownership" of these facilities. Indeed, university research to improve Third World food production is already under attack as a misuse of public funds and a threat to domestic farmers.

Materials Science. Materials science is a field linking advances in solid-state physics—research aimed at fundamental understanding of the behavior of condensed matter—to the development of materials with a desired, often unusual, set of properties. It is included here because of its vast array of applications and the many ways in which it can reduce the resource and energy dependence of the United States and

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thus improve the nation's economic competitiveness. Some examples:

—Advances in information technologies depend on the development of new materials: semiconductors for chips; orientable surfaces for magnetic storage of information; fiber optics for fast communication links.

—The development of new materials ranging from superconductors to high-strength, lightweight construction materials is a key element in improving the efficiency with which the United States uses energy. Increased efficiency is allowing us to control, and may soon allow us to reduce, our total energy consumption without paying a significant domestic political price. Not only would this reduce our energy dependence, but it would strengthen our presently weak negotiating position (as the nation with the highest per capita energy use in the world) in seeking to limit the worldwide growth in energy use that is necessary to deal with the global greenhouse gas problem.

—Much as the development of synthetic rubber altered the course of World War II, our growing ability to design materials with highly specialized properties from readily available raw stock is likely to alter our strategic materials stockpiling needs in ways that should increase our autonomy. Thus, electrically conductive polymers and ceramics may well become a practical replacement for copper wire; new catalyst materials will decrease our dependence on sources of platinum and other noble metals; nonferrous construction materials should reduce our dependence on steel.

Information Technologies. Information technology, which includes the gathering (through sensors, imaging techniques, telephotography), processing and storage (in computers) and transmission (via communications networks, broadcasting) of information, has, since World War II, affected our lives and our society more intimately and more ubiquitously than any other field of science or technology.

While one cannot discount the developments in nuclear technology, materials science and chemistry, information technology has been the bedrock of national defense for the past half-century. Command, control, communications and intelli-

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gence (C^3I), the bases for military strategy and tactics, all now depend on new developments in information technology. In the bipolar world in which we have lived since World War II, U.S. leadership in this area has given this country a military advantage that has more than compensated for the U.S.S.R.'s greater size—as measured in terms of geography, total military personnel and sheer rocket power.

Information technology will obviously continue to play an important role in national security affairs in the next decade, even as U.S. military strategy is altered by declining East-West tensions. However, the nature of its influence appears to be shifting as a consequence of two new trends. First, leadership in some areas of computer-related technology is diffusing to other nations, so the United States cannot expect to retain the same technology-based military advantage in the future that it has had up until now. Indeed, as some Japanese spokesmen have commented, even without a substantial military structure, the Japanese could exercise a significant (though not unchallengeable) influence on the global strategic balance by the export policies they adopt for their electronic components.

Second, as the size and complexity of weapon systems grow, their error-free command and control become ever more demanding and difficult to accomplish. The redundancy (and cost) necessary to assure acceptable performance increases many times over, and, as was manifest in the recent Strategic Defense Initiative debate, it is not even certain that such control will be within our technical capacity in the foreseeable future.

On the other hand, the quite different performance requirements of intelligence and information-gathering systems appear much more technically feasible; and, indeed, they are quite likely to continue to improve during this decade. Satellite observation, remote chemical and physical analyses, vibration-sensing equipment and computer processing of information all increase our ability to obtain earlier warnings of attack and to verify arms treaties. Thus, it appears that S&T developments may be a significant stimulus to further arms reduction by the superpowers in the coming decade.

Four other aspects of information technology's influence are also worthy of note. First, our prodigious ability to gather information not only is forcing a review of the legal and practical meaning of the notion of individual privacy, but will require a similar review of the "privacy" of nations. Second,

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the existence of inexpensive, multiple and worldwide networks for communicating information has shifted power from governments to individuals and given major impetus, at a practical level, to the heretofore rather abstract notion of a "linked" world. Third, the availability of supercomputers—and the likelihood that they will continue to improve in calculational speed—goes beyond merely allowing us to do more of the same in computing; we can now envision a time (probably closer at hand than energy generation by controlled fusion, for example) when any problem that can be *conceived of* as amenable to calculation will be doable at acceptable cost and in a reasonable period of time. Thus, there has been an enhanced interest in pushing back the limits of what we can conceive to be reducible to calculational terms. Artificial intelligence and the new, popular field known as chaos theory are two manifestations of this phenomenon. Fourth, we are being forced to shift our conceptual framework concerning information. We are now so inundated with information that our problem is dealing with it rather than collecting it: sorting, absorbing, understanding, avoiding.

On the national level, the issue is illustrated in the concern over the influence of polling in elections; in the instabilities caused by computer-initiated stock trading; in the extraordinary power of the electronic media to convey information through visual images in a way that is both effective and distorting. On the international level, we see it in the concern of Canada and European Community nations to control the influx of American television programming at least in part so as to preserve national cultural identity; in the fear of misinformation in media advertising by multinational companies (as in the case of cigarette ads in less developed countries or Nestle's promotion of infant formula); in international instabilities in stock-trading and currency exchange mechanisms; in the assignment and preservation of intellectual property rights.

Big Science. In many scientific research projects, the costs of equipment and its operation and maintenance now far exceed the annual salaries of the scientists involved in the project. It is not unusual for the equipment necessary to support the work of a single scientist to cost in the range of $1 million to $2 million. In some megaprojects—the superconducting supercollider (SSC) and the human genome project are two examples—the total equipment costs are in the $4 billion to $8 billion range.

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The effects of this economic reality are profound. First, the need to share equipment (as well as the increasing importance of multidisciplinary efforts—research requiring the joint participation of scientists with several areas of specialization) is causing a shift from research projects conceived and carried out by individual investigators to group activities. This may reduce innovation by narrowing the variety of research approaches and the greater risk-taking associated with individual projects.

Second, since the equipment used in research is now the *product* of high technology, the sequential nature of research and technology is being importantly altered by a feedback loop (the availability of technology to allow further advances in science). This gives new importance to the quality of a nation's infrastructure for research, making it significantly more difficult to create oases of good research in the technological deserts of underdeveloped countries and, therefore, tending to widen the gap between developed and developing nations.

Third, megascience has now reached a scale that is beyond the capacity of even a nation like the United States to support independently. For example, the annual budget of the National Science Foundation is about $2 billion, a fraction of the cost of the SSC project alone. This means that international, cooperative scientific research is becoming ever more critical and that we must deal with the issues of national security, competitiveness and pride that make such cooperation difficult.

Large-Scale Technology. While the proponents of what is called appropriate technology would argue that technological cleverness (or sophistication) need not be of enormous scale, at least two factors have led inexorably toward larger and larger production in applying technology. First, our level of comfort—our standard of living, our "wealth"—is itself a quantitative concept, most often correlated with measures of productivity such as gross national product, and one that encourages increased production. Second, many technology-based systems are cost-effective only when the scale of production is large, thus justifying the use of capital-intensive, integrated production facilities—that is, large-scale technology.

As technological systems become more integrated, more sophisticated and larger in scale, technological development becomes more complex, dependent on research in a number of disparate areas so that the development process does not

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follow sequentially and obviously from a well-defined set of research projects. Development of a particular product or technology depends on research in many disciplines, and research in a particular discipline feeds a number of technological developments.[3] Not only is the progression from research idea to technological application no longer linear, but it occurs much more rapidly than it has in the past.[4]

Under these new circumstances, the traditional American separation of basic researchers (usually at universities) from appliers (usually in industry) hurts both scientific and technological development and can be a considerable handicap to the United States in terms of international competitiveness, particularly with respect to a country that has encouraged much closer relationships between university and industrial scientists, like Japan. A closer university-industry association in the United States could ameliorate that situation and would also be valuable in helping to reduce the likelihood and danger of rapid professional obsolescence, which the accelerated rate of S&T evolution can produce.

III

These significant recent trends in S&T are giving rise to the following four phenomena:

1. *Increasing limitations on the exercise of national sovereignty.* There are now practical limitations on the ability of a nation to exercise governing authority over its territory and people, as well as strong reasons for limiting the assertion of its autonomy and the exercise of its authority.

The limitations arise in several ways. While information technology vastly increases the power of a government to monitor its people, the government's control over the distribution of information is largely gone. Information may still represent power, but it is now shared. The ease of person-to-person communication also makes it increasingly impractical

[3] In these circumstances, any attempt to retard one kind of technological development by restraining research runs the risk of hindering development in a number of other areas. Conversely, any attempt to be overly focused in scientific research to give priority and stimulus to a particular development effort runs the risk of neglecting an apparently unrelated area of research that may actually hold the key to a breakthrough.

[4] For example, it took about 40 years for the concept of the interconvertibility of mass and energy through fission to move from basic scientific discovery to useful application in the generation of electric power. Today, the infrastructure of technology and the rapidity of the diffusion of information have significantly shortened that time frame, and technological application is often almost contemporaneous with the basic research (as noted earlier, giving impetus to continued progress in the research, thus further accelerating the entire process).

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for nations to try to control the international diffusion of technological information as a means of improving their competitive position. Further, it is counterproductive to attempt such control because of the interdependence of (developed) nations in scientific research and the need for openness within societies for technology to keep competitive in an environment characterized by a very short time scale for development.

Geographic boundaries are becoming less meaningful as improved remote sensing allows any nation to "see" anything going on in the open within another's borders. Moreover, the autonomy to make decisions within those borders—on such issues as trade barriers, energy policy or pollution standards—is seriously reduced by the increasing interdependence of nations brought about by the need for international markets in an S&T–driven economy, as well as by the constraints of a shared global environment.

Also, the increased worldwide distribution of information has led to a heightened awareness in less developed countries of how the "other half" lives, and to a heightened desire to share that life-style and standard of living. As a practical matter, developed nations cannot ignore those aspirations. Thus, they do not have as wide a range of options in industrial policy, economic development policy, or technology transfer and developmental aid as their national autonomy once suggested.

2. *Approaching limits on the capacity of the earth to sustain civilization.* In its more modest rendition, this is basically a question of the finiteness of "spaceship earth." The more radical notion is the comprehensive, ecological, quasi-organic "Gaia hypothesis." The root causes are clear enough: the combination of rapidly increasing populations and intensified technology.

Technology, through the improvements it has brought about in food supply, shelter and the reduction of disease, has made human population growth possible. Since 1800, world population has grown from 1 billion to 5 billion. At the same time, technology has expanded to an even greater extent. Unfortunately, the obverse of technology's salutary influence is its impact on the environment, which is at the very least to temporarily disrupt the ecological balance and, in some circumstances, to damage it "permanently." Since this negative impact is roughly proportional to both the number of people

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and the level of technology available to each of them, the very factors that facilitate population growth magnify its negative effects.

By the end of the 21st century, world population will probably have doubled from its present 5 billion to 10 billion. The growth will occur almost entirely in developing countries (four percent annually is the present growth rate in Kenya, for example), facilitated by technological advances that have already occurred. But technological adaptation and productivity must continue to increase in these countries if their GNP is to increase and their quality of life is to improve; and that will further challenge the global ecological balance.

There is no way to gauge what the absolute limits to world population are, which makes it too easy to dismiss the issue as a whole. However, the hard evidence—as represented by widespread poverty, resource and energy limitations, global warming, ozone depletion, acid rain, deforestation and reductions in biodiversity—provides a sobering indication that we are getting there, wherever "there" may be.

The challenges for multilateral negotiation created by this situation are daunting. First, no nation can find solutions to these problems on its own; indeed, a nation may worsen its negotiating position by taking early, unilateral action. Second, the wide variation in energy use and waste production among and between developed and developing nations makes it difficult to devise an equitable basis for dividing up responsibility for correcting the problems. Third, the cost to different nations of accepting a set of environmentally related limitations (preserving forests, reducing carbon dioxide emissions, eliminating chlorofluorocarbon use, desulfurizing coal) will differ widely depending on their state of development, their sources of energy or their raw material resources. Fourth, the differential production costs from country to country created by unequal (even though equitable) environmental restrictions will affect international market competitiveness, introducing the need to modify free trade agreements in order to achieve fair markets.

While each of these issues presents special difficulties, it is the degree of linkage between them that will place the greatest burden on multilateral negotiating structures. Energy policy cannot be separated from environmental policy; national technological choices will have to be considered appropriate

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matters for international negotiation; and future trade treaties will have to reflect global pollution agreements.

3. *Uncertain control in a technology-based society.* This is a question that now extends to many areas beyond the traditional military ones. Technological leverage is a liability as well as a boon. In the nuclear energy field, the nature of the technology magnifies the effect of human error in accidents like those at Three Mile Island or Chernobyl and renders us susceptible to acts of terrorism through the theft of fissionable material. A new term, "computer virus," has been invented to describe software programs that can (by design or by accident) disrupt and destroy whole national networks and data banks. Oil spills have always been a problem, but the advent of huge tankers, such as the *Exxon Valdez*, has made those spills significantly more damaging.

The complexity of large-scale technological development gives rise to a second aspect of control uncertainty. Where the links between basic research and technological breakthrough are many—and somewhat unpredictable—it is difficult to be overly prescriptive in planning development strategy. In these circumstances, the American approach to federal support of technology—given mission goals such as the development of the liquid metal breeder reactor (Clinch River), the manned space station, or the (proposed) high-definition TV development—appears less attractive than, say, the German strategy of building a flexible technological infrastructure with a strong emphasis on retraining capacity, which makes it possible to incorporate newly available technologies very quickly as they emerge.

Moreover, the difficulty in anticipating the areas in which technological breakthroughs will occur, the end of the American monopoly on technological leadership, and the easy movement of technical information between nations limit the value of strategic industry identification or the COCOM (Coordinating Committee on Export Controls) treaty as a facet of national security policy. It is likely that new approaches to both will be necessary in this decade.

We face additional difficulties in fully assessing and understanding how new advances in technology affect flora, fauna (including people) and the environment. Our ability to manipulate nature provides us with great power in fighting disease and physical disability, but the implementation of technology often takes place so rapidly that we do not have the time to

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fully understand its effects. In medicine, for example, we encounter problems with drug side effects, coronary bypass procedures, dialysis, artificial hearts. With respect to the environment, our ability to affect our ecological niche, discussed earlier, is accompanied by an inability to assess the consequences of ecological change. In contrast to similar problems experienced in the past, certain situations we now face have negative effects that may be irreversible if we do not act to correct them; thus, we act before we can be sure that we understand the situation prompting the action. This presents us with a major political as well as a scientific challenge. We must negotiate limits that may require nations to curtail their development (and require individuals to pay the price in restricted wealth and standards of living) without having the compelling argument of scientific certainty to justify the action or to give precise guidance on how far we must go.[5]

4. *Popular involvement in S&T decision-making.* While the availability of information networks generally strengthens democratic structures, it also diminishes the reliance on elected representatives and technical experts to make decisions on the behalf of the public at large. As people gain more information through the media, and political leaders are forced to react to that reality, it is the forum of public opinion rather than the ministerial negotiating table that often controls the resolution of issues. (It is no accident that the banners carried by demonstrators in Tiananmen Square were written in English.) The problem arises when the information distribution system, instead of reflecting the complexity of real world problems, reduces them to simplistic terms. In so doing, rather than stimulating useful popular participation in a debate concerning important world issues, the system blocks proper consideration of those real issues by *either* the public *or* its representatives, forcing instead a different, often trivial, debate.

Information availability and the effects of S&T on everyday life have had a particularly strong influence in increasing

[5] We have long dealt with risk and uncertainty in military and political matters. The challenge now is to learn how to deal with scientific uncertainty with the same sophistication. At the moment we are more likely to shape the latter into a convenient political certainty (a tack taken, for example, by those who assert with confidence that there is no evidence that automobile industry emissions are responsible for acidifying Canadian lakes) or to discount scientists as incompetent or useless because they cannot provide definitive answers to certain questions or they modify their answers as further research provides improved understanding (cold fusion, cholesterol, earthquake prediction).

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public awareness of S&T issues throughout the world. In America, this greater public involvement has produced some positive results: for example, public pressure forced those who propose to undertake developments that might affect the environment to prepare technically based environmental impact statements before proceeding with their projects. However, in other areas the public has become involved in determining the direction of technological change at a level that previously was viewed as the province of experts only.

Thus, while most scientific experts would agree that our space program could be carried out more cost-effectively if we did *not* try to place a man in space, abandoning that goal would be unacceptable to the public. On the other hand, while scientists agree on the value of fetal tissue research, political pressures have put a halt to it. Similarly, because of domestic political considerations, the United States has of late fallen seriously behind other developed nations in birth control research, limiting this country's effectiveness in aiding international population control efforts. Moreover, our decisions on whether or not (or how fast) to proceed with complicated technologies, like SDI, are now determined—by and large—politically rather than scientifically.

These worrisome trends suggest that, in the future, we will require much greater attention to the *quality* of the information available to the electorate, so that public judgments achieve a higher level of sophistication. While the media have an obvious role to play in such an effort, the foreign policy and scientific establishments must become increasingly aware of the pressing need for improved public education on these issues.

In any event, the major technological developments arising out of advances in the biological sciences over the next few decades are likely to intensify the effect of public opinion on scientific decision-making because we will be forced to develop regulatory policies concerning research and its application in areas in which people have strong religious and cultural convictions. For example, genetic manipulation carries with it the burden of the history of eugenics; abortion technology (and life-extending technologies) gives people a measure of control over life and death. Fetal screening, the movement of pharmaceuticals across national borders, and the access the wealthy clientele of one country have to the limited pool of transplantable organs in another country are typical examples of the kinds of issues we will have to confront.

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IV

Taken together, these four phenomena give added impetus to the shift so obviously occurring from a bipolar to a multipolar world in which North-South tensions are constantly increasing. Information technologies have hampered ideological control by governments, and the need for technological investment has raised the opportunity costs of military budgets; both these factors have led to diminished East-West polarities. Shared technological leadership and interdependence help reinforce the notion of multiple power foci. At the same time, the growing gap between North and South in the rate of technological development, the increasing aspirations of the have-nots, and the additional interdependence created both by global environmental stresses and by national economies oriented to world markets all contribute to escalating North-South frictions.

These frictions are reflected most dramatically in the Third World debt problem and in the issue of global warming. Since environmental problems have arisen largely because of the cumulative effects of development in the North, the assertion made by developing nations that they are *owed* economic and technological recompense is gaining credibility, leading to a linkage of the debt and global-warming problems. The linkage of debt and environment—to which must be added the larger issues of energy needs and economic competitiveness—as well as the shift from superpower bipolarity to multipolarity, suggests that the practical resolution of these growing international problems will require multilateral approaches and that we will find ourselves pressed to devise orderly ways of coupling issues that have historically been negotiated separately.

The transfer of technological equipment and know-how to Third World countries will clearly play an increasingly important role in relieving some of these North-South tensions, but achieving that transfer is not without problems. For example, through advances in technology, facilities and equipment are now available to produce energy more efficiently and cleanly than ever before. However, the capital cost of replacing less efficient, but still functional, energy-generating plants in the United States or other developed countries would be enormous: far more than the cost of installing those plants in developing countries as their need for energy increases. Since

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energy conservation and pollution control are global problems, the latter approach is an economically more practical one and would be equally effective in helping to solve our shared problems. The question is whether we have the political resolve to allow and support the transfer to Third World countries of technology even more sophisticated than that in use in our own country.

Beyond the political obstacles, there are grave practical difficulties in transferring technology. The absence of a suitable sociotechnical infrastructure makes it exceedingly hard for a developing country to absorb sophisticated new technology. The physical components of that infrastructure can be provided, at least in principle; the human resources present a knottier problem. Clearly, education and training must be an increasingly prominent part of American foreign aid programs. However, where it was once reasonable to train students from the Third World by having them enroll in American universities, as technical knowledge has expanded, science and engineering curricula at U.S. universities, particularly at the graduate level, have become increasingly sophisticated. Thus students from developing countries are less prepared to undertake studies in the United States and less likely to receive the kind of education that would serve the needs of their own countries. There is no evidence that we have yet begun to address this issue in formulating our Third World development policy.

The need for multilateral cooperation in big science and large-scale technology, and the practical limitations on controlling the flow of information, pose for the United States the difficult challenge of maintaining economic competitiveness without having a strong proprietary position or a commanding lead with respect to scientific knowledge. The solution would appear to lie in learning to take earlier and better advantage of basic knowledge wherever it is developed. As a policy matter, this will require that we press for all nations to maintain total openness in basic scientific research and to provide unrestricted opportunities to each other to license technology. However, these policies will do us little good unless we improve our efficiency in adopting new technology throughout our domestic industries, and also increase the number of American scientists and engineers who can function in foreign cultures, thereby establishing the working-level contacts necessary for successful technology transfer. In other words, we

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need to focus on the innovative steps that follow research and scientific discovery, while at the government level we promote international cooperation, coordination and funding to ensure that scientific progress continues.

In sum, the effect of scientific and technological trends on American foreign policy is growing and will continue to do so. Moreover, understanding the relationship between the two can no longer be a peripheral activity for U.S. policymakers.

In the shorthand of the field of science, technology and public policy, the approach I have taken is referred to as science for policy—the impact of the former on the latter. The reverse—policy for science—could, in principle, be ignored. The shortcomings of choosing that option are fairly obvious. If S&T *will* affect our foreign policy options, and can affect them for good *or* bad, we have a strong motivation to devise policies that orient the development of science and technology in a way that will serve our national interests. I think it is a fair assessment to say that, at this moment, the United States has no meaningful, conscious, or connected set of policies with respect to any of the issues discussed here.

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Miles Kahler

THE INTERNATIONAL POLITICAL ECONOMY

For much of the 1980s, absent upheavals to match the oil price shocks of the 1970s, the international political economy was overshadowed by the volatility of East-West relations. This surface calm disguised sea-changes in international economic relations, changes profound in their effects on world politics and irreversible in the medium term. Some of these changes have been glacial in pace and difficult to discern. Other events that appeared cataclysmic, such as the stock market crash of October 1987, are as difficult to assess as heat lightning in a summer sky: an illusory warning or a genuine harbinger of storms to come?

International economic trends that now seem irreversible may also disappear when nations—at least larger nations—alter their economic course. Margaret Thatcher and Deng Xiaoping, for example, have drastically changed domestic economic policies and international economic orientation after decades in which both were regarded as immovable. The plight of the Organization of Petroleum Exporting Countries during the 1980s demonstrates, however, that the economic destinies of apparently powerful actors can be strongly affected by both the strategies of other nations and the behavior of international markets.

Four sea-changes in the international political economy will be discussed in the first section of this essay. The relative absence of change in the political organization of international economic relations—the dog that has not barked—will be briefly noted in the second section. Third, changes in the relationship between states and markets will be examined, particularly the intensified internationalization of financial markets and the globalization of production. Finally, an assessment will be attempted of the importance of all these changes for both the character of world politics and the future U.S. policy.

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II

Structural Change: Shifts in Power and Place. Two sea-changes became unmistakably clear in the 1980s—the rise of Japan and the divided economic prospects of the developing countries. The implications of two others—the leap toward further integration of the European Community and a more thoroughgoing incorporation of some centrally planned economies into the international economic order—will be fully apparent only in the next decade.

The rise of Japan has been an almost continuous process since the proclamation of the "Japanese miracle" in the early 1960s, but in its earlier manifestations, Japanese economic might expressed itself principally in a powerful export drive in manufactures. During the 1970s, that drive produced an array of trade disputes with the United States and Europe. In the decade that began with the publication of *Japan as Number One*,[1] however, Japan's economic reach expanded into high-technology industrial sectors and international finance, an expansion that fundamentally changed its bilateral relationship with the United States. As the Reagan administration's strategy of fiscal expansion produced massive American borrowing abroad, it became clear that Japan was home to the largest pool of exportable capital in the world economy. A share of that capital served to finance a yawning American payments deficit; other shares financed both a boom in foreign direct investment (in North America and Southeast Asia) and a more active stance in the debt crisis and development lending.[2]

To some—let us call them the optimists—the new financial clout of Japan, added to an existing manufacturing prowess that increasingly encroaches on U.S. high-tech preserves, is not a serious concern. This group has advanced two broad arguments. A number of commentators claim that Japan's

[1] Ezra Vogel, *Japan as Number One* (Cambridge, Mass.: Harvard University Press, 1979).

[2] Economist Lawrence Krause has summarized some of the latest indicators of Japan's economic power: "When measured in a common currency, Japanese per capita income is already larger than in the United States, and the rising yen is increasing the gap. . . . Japan is the largest creditor nation in the world. Seven of the eight largest commercial banks in the world are Japanese. Three of the five largest insurance companies are Japanese, including the largest (Nippon Life). The largest brokerage firm is Japanese (Nomura). . . . In 1987, the total value of equities in the Tokyo market exceeded that in New York, even before the crash, and the drop was larger in New York than in Tokyo." See his "Changing America and the Economy of the Pacific Basin," in Robert A. Scalapino et al., eds., *Pacific-Asian Economic Policies and Regional Interdependence* (Berkeley, Calif.: Institute of East Asian Studies, 1988), pp. 48–49.

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ascendancy is transitory. According to this view, Japan will gradually come to look like other industrialized countries. A stronger yen has already increased the volume of manufactured imports; external pressures (and pressures from its own consumers) may force higher public spending, a greater attention to consumer welfare and a weakening of powerful lobbies (such as the agricultural lobby) that would erode Japan's peculiar pattern of policy and its position in the international economy.

A second group of optimists argues that the international implications of Japan's rise have been overstated, since its "power portfolio"—heavily dependent on a cluster of export industries and its capital exports—is not diversified in the fashion of the United States. Hence, Japan will continue to need American military protection and American markets as much as the United States needs Japanese capital and technology. The result: an intensification of interdependence rather than American dependence on Japan.[3]

For many of these observers, the United States must "manage" the bilateral relationship as well as Japan's new role in the world economy until Japan's economic trajectory converges with that of other industrialized economies.

Increasingly, however, a second set of arguments has been heard both in the United States and in Europe. Framed in military metaphors, such as "containment," and hedged by homilies on the importance of U.S.–Japanese ties, these new "revisionist" critics paint a more ambiguous portrait of Japanese aims and capabilities: the ambitious hegemonic power-to-be rather than the acquiescent partner. Japan not only is seen as the first plausible aspirant to that role in the economic sphere since 1945; it also is viewed as a new-model political economy, one that does *not* work like Western economies and one that will remain closed unless more forceful pressure is exerted by its trading partners or an entirely new structure of managed trade is created.[4]

A second sea-change was less apparent to Americans in the

[3] For example, see Joseph S. Nye, Jr., "Understating U.S. Strength," *Foreign Policy*, no. 72 (Fall 1988), pp. 118–125; and Samuel P. Huntington, "The U.S.—Decline or Renewal?" *Foreign Affairs*, vol. 67, no. 2 (Winter 1988/89), pp. 90–92.

[4] Although the diagnoses and prescriptions of these observers differ considerably, the Japanese have singled out a "Gang of Four" who espouse this more pessimistic view: James Fallows, Chalmers Johnson, Clyde Prestowitz and Karel van Wolferen. For an excellent summary, see Chalmers Johnson, "Rethinking Japanese Politics: A Godfather Reports," *Freedom at Issue* (November-December 1989), pp. 5–11.

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1980s: the widening gap in economic performance within the developing world. The 1970s seemed to herald an irreversible push toward economic and political influence on the part of the Third World as a collectivity, as well as on the part of "new influentials," such as Saudi Arabia and Brazil. The 1980s saw the deflation of those hopes with the collapse and only partial recovery of commodity (including oil) prices, the shocks of high real interest rates and an abrupt decline in bank lending in the early 1980s. The lingering debt crisis destroyed the image of a homogeneous Third World, an image that may never have corresponded with reality. In the 1980s heavily indebted countries in Latin America and sub-Saharan Africa experienced the worst decade in terms of economic performance since the Great Depression; the countries of Asia maintained higher growth rates and export performance. The divide is no longer between middle-income and poor developing countries (the Third and Fourth Worlds of the 1970s): India's performance in the 1980s was stronger than Peru on most measures; China's better than Brazil's.

Is this new divide the result of indebtedness, taken on in the preceding period of high commodity prices and easy credit, coupled with drastically altered world economic conditions in the early 1980s (high real interest rates, deep recession, plummeting commodity prices) that were beyond the control of developing economies? Or is indebtedness itself a principal symptom of a syndrome of national economic policies that were not successfully altered in the 1980s, an alteration made even more difficult by the burden of debt?

Whatever explanation is advanced, the North-South cleavage changed in the 1980s. Conflicts continue between successful exporters, such as South Korea or Taiwan, and the industrialized countries, responding to their threatened industries. The larger debtors have repeatedly gone to the brink with their creditors, private and public. These patterns of conflict, however, rarely overlap: developing countries no longer aspire to a unified bargaining stance across issue-areas. While some newly industrializing countries confront a transition to rich-country status, other developing countries scramble to escape decades of economic stagnation and an increasingly marginal status in the world economy.

Looking to the immediate future, two sea-changes in the world economy appear likely to occur in the 1990s. The communist states were long excluded (and excluded them-

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selves) from full participation in the institutions of international economic management. The Cold War and the organization of their economies by central planning rather than market principles made integration with the capitalist world economy difficult. Although some socialist states (notably Yugoslavia and Romania) found their way into the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade after demonstrating their independence from the Soviet Union, it was not until the entry of Hungary and China into the Bretton Woods institutions in the 1980s that greater participation was clearly linked to a wider program of internal economic reforms. Now Poland has been tipped as a major recipient of IMF and World Bank lending, and the Soviet Union has made clear its own closer integration with the capitalist West.

The significance of renewed momentum toward closer economic integration on the part of the European Community is less clear, and it will depend in part on the future course of events in Eastern Europe and the Soviet Union. The Single European Act will clearly have a substantial impact in the area of "negative integration": removal of remaining barriers to the free movement of goods, capital and labor within the European Community. Its results in other spheres appear more conditional. Movement toward an economic and monetary union, surpassing the relative success of the European Monetary System, could founder on British opposition and German lack of enthusiasm. More important, dramatic changes in Eastern Europe could absorb the energies of Community members, particularly Germany, at a time when the inclusion of new members might slow the motor of integration in any case. In addition, the tug to the East could shift European attention from the international economic sphere, where Community institutions have reinforced common policies, to the political and strategic sphere, where joint positions have been harder to construct.

III

The Organization of International Economic Relations: The Weight of the Past. In contrast to these structural shifts in the centers of international economic power and the continuing evolution of market integration that is considered below, it is worth noting that international institution-building and institutional change have not kept pace. The international organi-

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zations that crowned the postwar international economic order remain in place; their persistence symbolizes that the international rules of the game have not collapsed during two decades of economic shock. Nevertheless, their role has been repeatedly questioned and even ignored during the past decade. Even such an apparent exception as the role played by the IMF and the World Bank in managing the debt crisis appears less exceptional in the most recent phase of the crisis, as banks and debtors have moved independently toward debt reduction. Throughout the crisis, the United States, attuned to the interests of its commercial banks, has announced the close of one phase of the international debt strategy and the opening of the next.

The GATT has served as a useful locus for agreements on trade liberalization; negotiations under its aegis have also served as a means of staving off protectionist demands in the United States and other industrialized countries. Its greatest triumph—dramatic lowering of tariffs among Europe, Japan and the United States—had been accomplished by the end of the 1970s, however, and during the 1980s, crucial trade bargains were often struck outside the GATT. (Voluntary restraints on Japanese automobile exports to the United States were only one example.) Although the most recent trade negotiations, the Uruguay Round, have widened the trade liberalization agenda to include agriculture and services as well as strengthening the GATT, the success of the negotiations remains in doubt.

Official American attitudes toward international economic institutions are certainly warmer now than they were at the beginning of the 1980s; President Bush's proposal to use the World Bank and the IMF to assist Poland is only the latest indication of this trend. Nevertheless, the overall stance of the United States and the other major capitalist countries has been measured for two reasons: their self-proclaimed fiscal bind, which (they claim) makes it increasingly difficult to extract resources from legislatures and electorates to support international institutions, and their ideological resistance to public intervention in international markets.

The most important threat to the institutional fabric, however, is neither a scarcity of resources nor ideological skepticism. The threat arises, paradoxically, from one indicator of institutional success: the growing—and increasingly heterogeneous—membership of these organizations. Develop-

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ing countries, including such long-standing holdouts as Mexico, are acceding to the GATT in increasing numbers; socialist states have gained entry to the key organizations or, like the Soviet Union, are seeking membership. Apart from the challenges to cooperative solutions that sheer numbers pose for these organizations, heterogeneity of political and economic systems calls into question postwar principles of organization, such as nondiscrimination and liberalization, in a world that is no longer dominated by mixed economies of the "Atlantic" variety. Doubts about the incorporation of Japan and the newly industrializing East Asian countries were noted above; the possibilities for short-term transformation in the Council for Mutual Economic Assistance (COMECON) economies can also be viewed with skepticism.

Can an international order be created with this degree of national diversity? It is a question that was originally avoided by the self-exclusion of many developing countries and the division of the world between American and Soviet blocs. In the 1990s, the question will require an answer.

IV

The Power of States and the Force of Markets. Underlying these concerns over the repositioning of states in the international economy and the efficacy of international institutions are the ongoing integration of international markets and the changing strategies of international corporations. Integration has grown most rapidly in the financial markets, where the growth of international financial transactions has consistently outstripped the growth of world trade.[5] The level of international financial integration was clearly demonstrated in the synchronized crashes that followed Wall Street's plunge in October 1987. The interconnectedness of such markets has existed since the birth of capitalism, but the current speed of transmission, closely tied to advances in computer and telecommunications technology, and the scale of financial flows across national boundaries are clearly unprecedented and deserve the label of sea-change.

The implications of financial integration for the global economy and the international financial system are not clear: the Federal Reserve successfully reestablished financial confi-

[5] Ralph Bryant, *International Financial Intermediation* (Washington, D.C.: Brookings Institution, 1987).

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dence in October 1987; central bank consultation has addressed the question of an international lender of last resort. Whether such mechanisms could withstand a more severe or sustained shock is less certain. For national governments, however, the effects are not obscure: their autonomy in setting economic policies is increasingly constrained, as capital controls become less effective and financial markets read their political and economic missteps with shorter and shorter time lags. Proponents of market perfection view this as a positive development, one that will keep wayward governments on the path of policy rectitude. A less optimistic view would note the blindness of the financial markets in the years preceding the debt crisis, and their tendency to overshoot in both the optimistic and the pessimistic directions on the basis of often incomplete information.

International markets for goods were marked during the 1980s by both liberalization and greater management of trade on the part of governments responding to protectionist pressures. The early years of the decade—years of deep recession, sharp upward movements of the dollar and an unprecedented American current account deficit—witnessed a move toward greater American and European efforts to allocate international market shares in key sectors, such as steel and autos. The often predicted collapse of the trading system did not occur, however; a threat of uncontrollable protectionist pressures in the early 1980s spurred governments to open the Uruguay Round of trade negotiations. Despite rising trade barriers in certain sectors, the growth of world trade resumed after the 1981–1982 recession, and the principal targets of protectionist measures, particularly Japan and the newly industrializing countries, continued their export success. Industrialized governments also moved to lower trade barriers with some of their principal trading partners: the United States and Canada, Australia and New Zealand, the 1992 project of the European Community.

Technology had not undermined closure so clearly as in the financial markets, but governments did confront greater sophistication on the part of traders if their attempts to restrain trade distorted the market too greatly; in developing countries, whole sectors moved to the black market economy in part to evade import and export controls; in such sophisticated sectors as semiconductors, "gray markets" quickly developed

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to satisfy demand in the United States after the 1986 U.S.–Japan Semiconductor Agreement.

Although the postwar international economic order had always included an ideological commitment by the dominant powers to liberalization in the movement of goods and capital, the free movement of labor has remained a jealously guarded sphere of national authority. In the last decade, however, it has become increasingly clear that better international communication and burgeoning mass tourism have undermined barriers to immigration at a time when the disparities between rich and poor countries remain enormous. Even a society as hostile to immigration as Japan has found it impossible to stop illegal immigration when its own businesses collude to gain cheap labor. Outside the richest countries, brain drains and labor outflows become serious restraints on national governments, particularly in the developing world; economic downturns and political repression no longer produce only the temporarily unemployed or refugees who later return to their homes. Another option, permanent emigration, is now available, as Central America, Peru, China and East Germany have all learned of late.

The differing pace of integration in markets for capital, goods and labor has influenced the increasingly complex strategies of transnational corporations. The global organization of production in certain sectors, such as oil, extends back many decades; but the 1980s was the decade in which the global factory came into its own. Seeking ways to put their capital and rapidly eroding technological advantages together with low-cost labor, firms in the industrialized countries developed suppliers and production sites throughout the world. They attempted to improve their competitive position through cooperative arrangements (such as licensing agreements and joint ventures) with firms that may appear to be their rivals in other settings.

The pursuit of such strategies, by global giants as well as middling firms, has further blurred the distinction between "home" country and "host" country. These cross-cutting corporate interests have also complicated any definition of national economic interest. Should the United States encourage Japanese investment in smaller, American, high-technology firms, for example? Are American corporations in Japan part of the U.S. economy situated abroad, or are they essentially Japanese firms? Such a web of private connections at first

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appears to create important pressures for liberalization in government policies: the complexity of relations among firms makes efforts at international restriction less likely to be effective or beneficial. On the other hand, nationalist political responses to these new relationships—particularly foreign investment—could provoke a backlash that will create renewed pressure for controls.

V

Sea-Changes and the Transformation of World Politics. That this intensified if uneven integration of markets in capital, goods and labor could be reversed by some future shock—major financial crisis, global economic depression, or war—is a possibility that has haunted liberal memories since the end of World War II. A more pertinent question is whether such dis-integration could arise from the actions of governments, perhaps through unwitting exercises in economic brinksmanship that end up unraveling, in a perverse game of tit for tat, the fabric of economic openness. Few governments are willing to argue any longer for the benefits of economic closure, whatever their skepticism about the stability of markets or the effects of external liberalization on more vulnerable groups or sectors. Governments will certainly continue to shape the rules of the game to protect the interests of politically powerful and less mobile sectors of the economy. Calculated measures in favor of dis-integration, however, seem unlikely.

If the configurations described persist, some might be tempted to argue that they will constitute a sea-change in the very character of world politics, profound enough to contribute to an "end of history." Such predictions would have seemed outlandish at the beginning of the 1980s, when the newest chapter of the Cold War intensified concerns over military dangers. Today, however, one may well ask whether relations among states are not characterized by a permanent shift toward goals of economic welfare and a concomitant rise in the importance of economic resources and economic instruments in interstate competition. Such a change is linked not only to those international economic developments already mentioned, but also to reduction in superpower rivalry and widespread, if not yet universal, internal political liberalization.

Thus, without lapsing into a Spenglerian pessimism that risks becoming as fashionable as the most recent hype over the

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new era of good feelings, we should see changes in the international economy not as producing an inevitable resolution to age-old problems of interstate conflict, but as intimately tied to that conflict, as they have been since the birth of capitalism. The ever changing economic fortunes of nation-states affect their strategic position as well as their perception of national security. Internationalized though they may be, markets will continue to confront fragmented political authority. Whatever the sea-changes in the international economy, they will take place within these deeply embedded features of international relations, for they have not yet transformed them.

VI

International Economic Change and American Policy. The balance between persistence and change in the international economy confronts the United States with particular challenges. Both the goals that the United States has pursued since 1945 and the instruments that it has employed to reach those goals may be called into question. One preeminent national aim has been a liberal world economy, in which any government controls and interventions that affect the free movement of goods and capital are reduced. This goal has always been qualified: the United States not only has imposed such controls itself (whether as instruments of national strategy or as responses to domestic demands), it also has recognized that completely liberalized markets might be politically insupportable.

The goal of a liberal world economy is now questioned for two reasons. First, those who view Japan and the newly industrializing countries through revisionist eyes argue that the United States has become a liberal dupe in a world that does not operate according to neoclassical economic principles. As economic exchanges with the socialist economies grow, such complaints are likely to surge. Such criticisms could lead policy in several directions: protectionism, industrial policy or reciprocal liberalization with "like-minded" countries (for example, the free trade agreement with Canada).

The second reason for viewing liberalization more skeptically derives from the reconsideration of market deregulation that is now under way. The infallible wisdom of markets, even markets untouched by political manipulation or monopolistic behavior, is less likely to be taken for granted in the future. An

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economic shock (a second, more severe financial crash, for example) would only add support to such criticisms.

A global rather than a regionalized world economy has been a second overarching goal of the United States; this goal has been closely related to the multilateral structure of international economic institutions and such norms as nondiscrimination in trade. Since the economic shocks of the 1970s, some observers have predicted a world economy divided into regional blocs; some of the sea-changes described above—the consolidation of Europe and the rise of Japan—may point in that direction. The United States has endorsed certain regional groupings, particularly the European Economic Community, for their value in offsetting Soviet power. If the Soviet military threat fades and regionalization takes a form that appears damaging to American economic interests, that support may disappear. The United States may need to specify its economic interests in either a global or a regionalized economic order on purely economic grounds.

In advancing its goals in the international economic arena, the United States also faces choices concerning the instruments that it employs. The role of collaboration among governments (within or outside established international institutions) must be assessed as an alternative to either unilateral measures by the United States to impose its policy preferences (for example, threats of trade sanctions to open markets) or the avoidance of political intervention in international markets. It seems unlikely that either the immiserization of parts of the world or the integration of the socialist economies can be dealt with in the absence of sustained cooperation on the part of the major industrialized countries. Throughout the 1980s, the United States was skeptical of international institutions that were often portrayed as either bloated bureaucracies or unwanted restraints on American action. A reassessment has already begun: unilateral American action is likely to be less effective, and the workings of an untrammeled market may be less desirable than innovation (or renovation) of mechanisms for international collaboration.

In any collaborative initiatives that are undertaken, the United States faces a final choice—the claims of leadership that it will make and the price that it is willing to pay for those claims. Japan has now become the largest donor of foreign aid. The Bush administration has signaled its willingness to have the European Community lead in organizing economic assist-

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ance for Eastern Europe. Our fiscal deadlock has made it difficult for the United States to lead on issues of international economic importance. In a regionalized world economy, demands would not be so great; each major actor—Japan, Europe, the United States—would tend its own backyard. If such a fragmented world is not the future that we desire, then the United States will need economic instruments for a world in which military instruments may become increasingly unsuited. If the threat of Soviet military power recedes, then a central question will be what price the United States and its taxpayers are willing to pay in order to possess those instruments and, with them, a central role in sustaining an altered international economic order.

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William H. McNeill

WINDS OF CHANGE

Human affairs never stand still for long. Innumerable small, everyday and almost unnoticed changes have a way of undermining existing patterns of behavior and belief until a single individual's actions or a single public event may suddenly trigger rapid and far-reaching alterations in the public life of millions or, in our day, hundreds of millions of people. The Oath of the Tennis Court was such an event in 1789; Lenin was such a triggerman in 1917; and now, 200 years after the French Revolution, Mikhail Gorbachev has initiated changes that may well turn out to be comparably important, even though they have not yet provoked much revolutionary violence.

Ever since their conversion to Orthodox Christianity in the tenth century, it has been the Russians' fate to coexist with a civilization more skilled and therefore richer and more powerful than anything attained within Russian borders. Russia's modern greatness rests on the fact that twice (under Peter the Great and Stalin) the country's rulers deliberately tried to overcome backwardness by hectic, heroic action. They met with considerable success, but ironically their very success, by lopsidedly emphasizing military power and relying on the command principle for energizing innovation, differentiated Russian society more sharply from the looser social structure of the leading countries of Western Europe. Dependence on orders from above also tended to inhibit the sort of spontaneous innovation needed to sustain creativity. Bureaucratic lethargy and inefficiency were therefore free to take their toll, assuring the eventual renewal of Russian backwardness. Much of what is happening in Russia today, therefore, looks very like a reenactment of what happened after the Crimean War ended in 1856, when the tsar's government found itself lagging behind France and England so conspicuously that

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something had to be done, even though effective consensus about what to do was never achieved.

Nonetheless, the current situation of the Soviet Union differs from that of late nineteenth-century Russia in three important respects.

First of all, the "dark and deaf" peasantry that constituted an overwhelming majority of the Russian population before 1917 no longer undergirds urban society. Millions emigrated from the countryside to provide unskilled labor for the Five-Year Plans. Those left behind live under new circumstances, too, thanks to modern communications that have penetrated the villages of Russia. As a result, the sharp gap that once prevailed between what rural folk knew and experienced and what urban populations knew and experienced has been drastically reduced. This constitutes the most fundamental social and political change wrought by the technological transformations of the twentieth century, and its consequences within the Soviet Union are only part of a much wider global phenomenon, to which we will return.

But for Gorbachev and his successors, the awakening of the populace means that they face a more difficult task than Lenin or Peter ever did, because common folk—peasants and ex-peasants who have moved into cities—are now in a position to make their wishes felt far more effectively than ever before.

Only about one-third of the population remain in agriculture today, whereas something like four-fifths were peasant cultivators in 1914. Russian society is therefore no longer composed predominantly of isolated villages, completely unable to defend themselves against urban predation. Nevertheless, children and grandchildren of peasants constitute a majority of the Russian public. Undoubtedly old rural attitudes, combining outward deference and an often grudging obedience to superiors, did not decay all at once. Nevertheless expectations are now far higher, patience is less. Information about conditions of life in other lands has spread throughout Russia. Demands for freedom and justice, together with longings for greater material comfort and more equitable distribution of goods, are strong and insistent.

It is no longer feasible to postpone the realization of revolutionary goals until after the enemies of socialism have disappeared from the face of the earth. Worldwide socialist brotherhood, as Lenin envisioned it, seems wildly improbable after forty post-World War II years during which capitalist

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countries have prospered as never before and, instead of collapsing because of the inner contradictions of class war, have clearly outstripped the Soviet Union because of greater social efficiency.

The sort of high-handed treatment that Russia's rulers felt obliged to impose on the Russian people in the past will therefore be difficult to replicate in the future, and will surely become impossible if official policy involves continued exploitation and oppression of the majority, as was the case under the tsars and Stalin alike. This means that the old way of catching up by reallocating manpower and other resources through government decree and administrative fiat seems foreclosed, or nearly so. The reason is simple: any really large-scale reallocation will hurt vested interests and arouse politically effective opposition of a sort that was weak and ineffectual when it was merely peasant interests that had to be overridden.

A second important difference between conditions of the 1990s and earlier times is demographic. What has withered away in Russia is not the state, as predicted by Marx, but the abundance of manpower that once sustained both Petrine and Stalinist reforms. As long as millions of peasants could be drawn from the countryside and put to work in new industrial enterprises without noticeably reducing rural productivity, even the crude and wasteful methods of command worked wonders. This was possible because before 1917 untapped natural resources abounded in the Soviet Union, and at the same time the rural population was systematically underemployed. Throughout the winter months there was little or nothing to be done in the fields, so even wasteful use of manpower in factories and on building sites constituted net gain of labor efficiency. But this style of profitable shift of manpower from farm to factory could continue only as long as the remaining rural work force could feed the entire population.

The demographic transformation of rural Russia means that the old path to enhanced wealth and power that first Peter and then Stalin followed is foreclosed in still another way. Reserves of underused labor and of unused natural resources are seriously depleted. The only ethnic groups that continue to produce a rural surplus of population are dubiously loyal to the regime, having a Muslim heritage and a lively tradition of hostility to the Russians. Socialist ideals, secularism and ex-

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panded urban careers have not induced Muslims to merge into an undifferentiated Soviet citizenry, as the Bolsheviks once hoped and believed would happen. Instead, mutual distrust permeates relationships between Russians and Muslims, and, of course, the war in Afghanistan exacerbated the uneasiness. As a result, the growing rural population of the Central Asian republics does not constitute as valuable a resource for Russian planners as would otherwise be the case. Instead, it may become an embarrassment if heightened Islamic consciousness ever seeps across the borders of the Soviet republics of Central Asia from neighboring Iran and Afghanistan.

How to reconcile future increases of efficiency with Russian traditions of management by political command remains an unresolved question. If an effective answer continues to elude the managers of Soviet society, catching up with the West will remain an impossible dream, and some other justification for the regime will have to be discovered. Under such circumstances, demoralization of the managerial elites coinciding with tumultuous popular demands for radical improvement of living conditions and for national self-determination might well invite revolutionary change again, as in 1917.

This brings me to *the third important difference* in the contemporary situation of Russia that distinguishes it from anything experienced in the nineteenth century. Revolution of the old-fashioned kind that occurred in France in 1789, in Russia in 1917 and in China as recently as 1949 has become all but inconceivable today. However nasty, political violence and local disorders, extending over months and even years, were tolerable for most people as long as they lived in villages and raised the food they consumed. But a flow-through economy and society cannot endure disruption of exchanges, even for short periods of time; despite all the defects of its system of distribution, the U.S.S.R. has become such a society.

A persistent paradox of all human achievement is that gains in wealth and power always involve increased vulnerability to breakdown simply because all such gains involve deliberate alterations in preexisting "natural" relationships. This was evident among farmers from the beginning of agriculture. Crop failure often occurred, and so did life-threatening losses of harvested crops to marauding plunderers. These were risks that hunting bands never faced. But subsistence farmers' vulnerability to sudden loss of livelihood is far smaller than the vulnerability urban populations face when political or natural

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disaster interrupts the flow of goods and services upon which they depend for daily sustenance. Stocks on hand can never be enough for more than a few weeks or months.

Hence it is not surprising that frantic efforts to feed the cities were a prominent feature of both the French and the Russian revolutions; and such efforts succeeded, in spite of all difficulties, because village routines persisted. These routines required harvested grain to be stored in peasant barns, where raiding parties from the cities could lay hands on it. But in a world where the grain harvest depends on delivery of fuel for tractors from refineries located many miles away, urban levels of vulnerability embrace the rural sector of society too. There is no longer any base level at which accustomed routines of life can persist, producing food in accustomed fashion, even when political disorder interrupts the smooth delivery of supplies from a distance.

Thus the increased efficiency achieved in Russia (and many other parts of the world) by shifting from subsistence farming to a machine-based style of agriculture involves an enormous enhancement of risk should breakdown in the flow-through economy occur. Further increases in economic efficiency, if they are ever achieved, will simply increase vulnerability to breakdown. Indeed, a good part of existing Soviet inefficiency (compared with Western "just in time" delivery) is a form of insurance against the minor interruptions in the flow of goods and services that characterize the system. Soviet factory managers like to maintain large stocks of raw materials on hand to cushion themselves against irregularities in supply; they like to hoard manpower as well, so as to be able to minimize emergencies by improvising repairs or substituting manual work for the output of a broken-down machine.

Eliminating most of these safeguards is the price of further advances in efficiency in a society where massive underemployment and untapped natural resources no longer coexist. Yet, by a cruel irony, reducing these inefficiencies might well put the stability of the command economy as a whole very much at risk. Deprived of existing cushions in the form of hoarded manpower and stocks of raw materials, significant interruption of deliveries to any segment of the economy might spread rapidly throughout the system and create a paralyzing gridlock.

The problem is not unique to the U.S.S.R., of course, but centralized political management of economic exchanges in

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the Soviet Union minimizes alternate (i.e., market) sources of supply more rigorously than elsewhere. Nonetheless, market systems like that of the United States are vulnerable to large-scale disorder as well. The simple fact is that old-fashioned, survivable political revolution can occur only in predominantly peasant lands. No one really knows what prolonged disruption of a modern, flow-through society would entail. Mass starvation in a matter of weeks would be a first stage, and unless relieved from outside, as happened after World War II in the worst devastated countries, famine might soon destroy most of the population.

On the other hand, if catastrophe really loomed, pressure to accept the dictates of a single leader and knit the pieces of a shattered economy together again as quickly as possible would become enormous. Everything would then depend on what sort of leadership emerged. Possibilities for sudden, sharp turns inhere in such a situation, and should be expected whenever existing daily routines show signs of faltering. Recent events in Eastern Europe illustrate the remarkable volatility that results; and, of course, if one new leader and ideal fails to restore (or maintain) equilibrium, someone else is almost sure to take power and try a different tack.

Appeals to ancient solidarities and traditional, national faiths are likely to prove especially attractive in such circumstances. Hence it is not fantastic to suppose that Holy Orthodox Russia might emerge anew from the tribulations of the twentieth century; and such a government, seeking authentic purity and orthodoxy, might deliberately spurn the entanglements of empire, just as the Ottoman Turks did after World War I. A ferociously secular, fully militarized and defensively aggressive police state is perhaps just as likely. No one can tell ahead of time; but it seems sure that in Russia and throughout the socialist world we should expect sudden surprises, not just in 1990 but for some time to come.

The travail of the U.S.S.R. and its satellites ought not to be counted as a clear and definitive victory for the United States and the American way of life. Freedom has not definitively triumphed, nor has history achieved its appointed end, despite recent assertions to that effect. It is entirely unlikely that the American style of more or less managed market economy and its accompanying political system will ever take root and flourish in Russia. Even heartfelt efforts at imitating a foreign model run into difficulties when what is borrowed has to fit

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into a very different social and psychological setting. In such circumstances, even when things look the same, they do not work in the same way. Moreover, efforts at imitation are sure to encounter widespread resistance, since deliberate and admitted borrowing from a rival would be humiliating. (Think how hard it is for us in the United States to conceive of deliberately remodeling our conduct along Japanese lines! Instead, we indignantly ask the Japanese to conform to our ideas of how to manage their economy.)

A fundamental obstacle to the effective reorganization of Russia on American or Western lines is the fact that most Russians are convinced that anyone who enriches himself by buying and selling cheats his customers by setting prices too high. Justice therefore requires price regulation and confiscatory taxation of such ill-gotten gains. This makes the growth of a market system for distributing goods politically precarious—persistently and inescapably so. In other words, the old ideal of equity, once sustained by periodic reapportionment of fields in the village *mir*, is still very much alive in Russian consciousness. Overt repudiation of that ideal seems improbable, however difficult it may be to apply it to the complexities of a modern, flow-through economy.

II

Another reason for not congratulating ourselves on having won the Cold War is that American society is also in difficulty. Our competitiveness on the world market has decayed. New firms, especially along the Pacific Rim, have left Americans and Europeans far behind, owing to the cheapness and, often, the quality of their output. The resulting shift in economic primacy is still in its infancy and may not endure. On the other hand, if China's enormous bulk should ever begin to attain efficient modernity, it is hard to doubt that the Far East would reassert a world primacy like that it enjoyed between 1000 and 1450, before Western Europe usurped that role. This sort of seismic shift in the locus of world leadership—economic, cultural and political—occurred from time to time in the deeper past and may be under way again. Even without so drastic a change in the world distribution of wealth and power, an indefinite continuation of the post-World War II alignment that so enormously exaggerated the hegemony of the United States and of the Soviet Union, each within its own sphere, is utterly improbable. The only question is when and how

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suddenly new balances will assert themselves, and in what way they will do so.

Clear signs of trouble in American society and economy are not far to seek. The persistent trade deficit and the unwillingness of our political leaders to balance government income and outgo by raising taxes or lowering expenditures are outward indicators of deep-seated ills. Drug addiction and crime are probably more important symptoms. Ethnic frictions, creeping bureaucratization (private as well as public) and the theatricalization of politics and society perhaps count as additional indicators of social malfunctioning.

Whatever the path toward the future may turn out to be, existing differentials in birthrates are bound to put strain on existing ethnic and cultural relationships as newcomers multiply their numbers and learn to exert an increasing weight within American society. In particular, the place of the black population in our cities is problematic. Will blacks rise on the backs of the newcomers, in the way successive waves of immigrants from Europe did, distributing themselves more or less evenly among the ranks of American society? Or will newcomers outstrip them, as recent Asian immigrants clearly are doing? And if a poor and defiant black population remains confined to urban ghettos indefinitely into the future, what sort of mutual respect and tolerance is likely to prevail in American society as a whole?

No one knows the answer, but it seems clear enough that strains within American society have already called into question the tacit agreement arrived at in the 1950s about the role of government in redistributing economic resources among the citizenry. During that decade, the primacy of defense spending over other forms of governmental redistribution of income came on stream as a feature of peacetime policy. Welfare and social security payments, together with guaranteed price supports for farmers, date back to the Depression years of the 1930s; but these programs benefited minorities at the expense of the majority of the citizenry. For that reason they could never command universal support and attain as massive a scale as defense expenditures soon did.

Military outlay, after all, could plausibly claim to serve the common good. As a result, special interests seeking contracts for new weapons met no concerted opposition, and military expenditure ballooned enormously. Governmental purchases of arms, in fact, became a stabilizing flywheel for the American

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economy, being more or less immune to the business cycle, since political, not financial, calculations governed the demand and production of weaponry.

In effect, therefore, the arms race with the Soviet Union after World War II allowed diluted forms of deliberate management of the American economy, which had worked wonders between 1941 and 1945, to continue indefinitely in peacetime. It is worth remembering that only when arms production got into gear on the eve of World War II did the Depression of the 1930s finally give way to full employment. During World War II, acute shortages required rationing and other forms of high-handed and unpopular political intervention in the marketplace; but in the postwar period, milder forms of political management, centering on arms expenditure and the deliberate manipulation of tax and interest rates, sufficed to sustain a long period of prosperity.

Rising standards of living for most of the population meant that no one complained very much about continued welfare expenditures, or bothered about subsidies for farmers. This contributed to the smoothness with which the American economy functioned after 1950, although the evened-out flow of goods and services within the borders of the United States depended mainly on defense expenditures. Conceivably, as in Japan and Germany, where weapons production remained unimportant, a different basis for American prosperity could have been devised. But, in fact, it was the arms race with the Russians that provided the principal stimulus for what has turned out to be remarkably effective political management of the economy throughout the past four decades.

If that rivalry should falter, the United States will face awkward choices. What, if anything, ought to replace the billions expended for weapons since 1950? How can resources be reallocated without creating massive unemployment and local disruption? Worthwhile goals are easy to imagine, but attaining anything like a political consensus for expenditures that overtly benefit some segments of society more than others (as, of course, defense expenditures have done covertly) will be very difficult.

Thus, for example, breaking up the ghetto culture of defiance that unfits so many black youths for peaceable participation in civil society may be eminently desirable. A general repair of our system for nurturing the young would be even more useful. But, to be effective, such programs would have to

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trample on existing interests, alter habits, change outlooks. Where would political support for such deliberate social engineering conceivably come from? And what about the unexpected side effects and undesirable consequences that will result even from well-thought-out programs for social change? Much the same objection hampers ecological reform. Unexpected side effects and hidden costs that haunt existing industrial processes will surely arise if and when policies designed to protect the environment from further pollution come into force.

The simple fact is that the more we tinker with human behavior and seek to manage it in accordance with some deliberate goal, the more we entangle ourselves in processes we do not fully understand. Yet when governmental intervention in the exchange of goods and services already affects everyone's daily life, there really is no choice. Decisions have to be made and policies implemented—somehow. The situation we face in the United States as the Cold War winds down and the arms race peters out—if that does turn out to be the path into the future—is that some new balance among all the special interests and social groupings of American society will have to be contrived. That calls for the sort of political process that went into the redefinition of the role of the federal government after World War II. Debate then centered upon what the United States ought to do overseas to "contain communism." The domestic impact of rearmament and foreign aid was not at issue, and the question was, in fact, almost entirely overlooked. But this time, unless some new foreign danger raises its head, American politicians and the public will have to think about what ought to happen at home.

This promises to be far more difficult than the postwar debate, since, like the Russians, no one really knows what to do or how resources ought to be reallocated. Struggles for governmental favors among ethnic groups, age cohorts, protectionists, environmentalists and other special interests will be hard to compromise as long as a plausible vision of the common good remains stubbornly elusive. Reversion to an unregulated market would introduce its own forms of inequity, simply because some persons and groups are more adept at taking advantage of market opportunities than others. Moreover, once the feasibility of massive and deliberate governmental redistribution of economic resources has been discovered (and that discovery is a matter of our own century),

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it is hard to imagine that groups disadvantaged by the market will not demand help—and since they constitute a majority, in a democracy they are likely to get it.

The United States does have a constitutional commitment to individual freedom and a tradition of openness to newcomers that may suffice to keep the political process from ugly deadlock among competing groups. Maybe we will manage to maintain our liberal political tradition, even if group rivalries intensify as the tacit compromise of the 1950s that gave priority to defense expenditures wears out. But finding a new consensus will certainly be difficult and may even imperil constitutional procedures, if social confrontations multiply or if the economy falters.

Under the circumstances, an obvious temptation is to maintain arms expenditures more or less at existing levels. It is conceivable that developments in Russia will make such a policy attractive, for the Russians face a far greater problem of shifting resources from armament production than we do, and if public disorder were to threaten the Soviet Union, a return to militarism, with or without the front dressing of Marxist ideology, might well occur. Under such circumstances, it is easy to imagine heartfelt sighs of relief from both governments at being spared the hard choices needed to make a successful retreat from the arms race.

Yet such a policy would exacerbate existing internal difficulties in both countries and make efficient production of real wealth harder to attain. We can probably afford it, at least for a while; the Russians could do so only at great sacrifice and would need to find a fierce and really believable enemy to justify the price their people would have to pay. But deliberate cultivation of intensified hostility so as to justify the arms race is a risky business in our atomic age. And when global communication has penetrated as deeply into private homes as is now the case, can enmity remain intense enough to sustain the arms race and platonic enough to keep the peace?

Obviously, Gorbachev and his supporters in Russia decided that this balancing feat was becoming impossible. Their opening to the West, and the positive responses elicited so far, surely make return to Cold War strategy difficult. But no one knows for sure whether intensified militarization will not seem preferable to facing the difficulties of finding a new domestic balance among competing interests and groups within the U.S.S.R. We in the United States face a parallel dilemma. The

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upshot will depend on the interplay of policies and personalities, not merely within the two superpowers, but around the world. In addition, the acts, hopes and fears of millions of common people will affect the outcome. So will chance timing of events. As usual, the future remains unknown and unknowable, even though we can be sure that we are living through a time when radical shifts in political alignments both at home and abroad are possible and perhaps inevitable.

III

In reflecting on the winds of change that are blowing so forcefully around us as the decade of the 1990s begins, it is worth reminding ourselves that the rivalry of the two superpowers and their domestic distresses do not exhaust the complexity of world affairs. National policy, even for such giant states as the U.S.S.R. and the United States, has to take account of the rest of the world, where mounting signs of global disequilibrium make indefinite preservation of the post-World War II balances improbable, to say the least, though exactly how disturbances in the rest of the world may impinge upon the two superpowers is as impossible to foresee as is the internal dynamic of their respective paths to the future.

Still, one can say something about what is happening globally. Not surprisingly the same factors that have been altering political realities and alignments within the borders of the United States and the Soviet Union have upset older social balances throughout the rest of the world as well. The fundamental fact is that demographic surges (and declines), together with more powerful communication nets, are changing human life and experience in every part of the earth, and at a very rapid pace.

In recent decades, rich, urbanized lands are everywhere seeing birthrates fall below replacement levels. This is a very recent phenomenon, or more accurately, it has only recently manifested itself among entire nations. Since civilization began, town dwellers have seldom or perhaps never reproduced themselves; but in the European past, migrants from the nearby countryside, who shared much the same cultural identity, compensated for urban die-off, thus allowing a single people and culture to maintain itself for centuries in the same geographic area. Only since World War II have entire nations in Europe, Japan and lands of European settlement overseas

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become so urbanized and rich that they have ceased to reproduce themselves.

Under such circumstances, if society is to maintain itself, recruits must cross cultural boundaries to take on lowly jobs that the native-born disdain, thus creating ethnically and culturally plural societies. In Europe, the principal alien immigrants are Muslims: Turks in Germany, Algerians in France, Pakistanis and other "New Commonwealth" immigrants in Great Britain, together with Turks and Iranians from Central Asia in the Soviet Union. In the United States, Caribbean and Latino immigrants from the south play an analogous role; in Australia, it is a mixed assemblage of Asians; and in South Africa, of course, it is black Africans who work at jobs the white inhabitants disdain.

Japan remains exceptional, since so far it has refused to accept immigrants, preferring instead to establish new factories on foreign soil. But the decline of the Japanese work force has barely begun to assert itself, and if existing demographic trends continue (as always, an implausible hypothesis), even xenophobic Japan may decide to admit foreign workers, as other countries with declining native-born populations are doing.

It is worth pointing out that national unity within defined territorial boundaries was not the norm of civilized societies in times past. Large imperial states, especially in the Middle East and India, were polyethnic. The recent emergence of polyethnicity and cultural pluralism in European and American society therefore looks like a return to a civilized norm of the deeper past. But that raises troublesome questions, for democratic politics and liberal economics did not prevail in former times. Maintaining the sort of basic consensus required for effective and democratic public action obviously becomes more difficult if society divides into distinct and separate ethnic and cultural blocs. The capacity to mobilize the whole, or very nearly the whole, of society for war and other common enterprises was at the heart of Europe's recent superiority over other states and peoples. This will become much more problematic, perhaps impossible, if cultural diversity produces enduring cross-purposes and political deadlocks of the sort that characterized the imperial polyethnic states of Eurasia's past. Yet this is what continuation of existing demographic trends in the rich and urbanized countries may provoke if immigrant populations refuse or are not permitted to assimilate to the national norm.

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The phenomenon of population decline among Americans of European descent has attracted remarkably little attention in the United States so far, even in regions and cities where whites have become a minority. Quite appropriately, we are much more aware of the galloping population growth that, on a global basis, far outweighs the still incipient demographic decay of the rich and urbanized peoples of the world.

This growth is a rural phenomenon. Until very recently it prevailed in Europe and the lands of European settlement overseas, and in fact sustained more dramatic growth of those populations than anything experienced by the rest of the world until after World War II. Demographic balances between European and non-European peoples have therefore shifted very sharply indeed in recent decades, but political consequences, whatever they may be, have not yet become very noticeable.

Changes in the incidence of infectious disease, combined with intensified food production, public health measures and an improved level of public order, have provoked the modern growth of human numbers. This growth constitutes a remarkable horizon in the history of humanity, and it involves no less extraordinary risk for many of the other species with which we share the earth. Indeed, from the point of view of most other creatures, human beings must be classed as an epidemic disease that underwent a particularly lethal mutation after 1750. Everywhere, growing human populations persist in altering the face of the earth to suit themselves, using an ever more powerful technology to cut down forests, divert watercourses, plant fields, dig mines and in still other ways alter natural environments beyond recognition.

By thus making more room for ourselves in the earth's ecosystem, human ingenuity and organized effort have allowed more and more people to find enough to eat and procreate. Prophecies of disaster have so far proven false even though many millions of people live near the edge of hunger in all the poorer parts of the earth. But hunger stalked human populations throughout history, so this, in itself, is nothing new. What is new is the scale of the human assault on other forms of life, and the disturbances of atmospheric and oceanic balances that human activity has begun to make, not merely locally but also globally. Just what the consequences may be no one knows. They may turn out to be drastic.

At least we are wise enough by now to know that the flows of

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matter and energy that sustain daily life are inextricably embedded in the earth's ecosystem, and all our skill cannot escape the limits that simple fact imposes. Nevertheless, technical possibilities for wresting still more food and energy from the earth are far from being exhausted, and it seems likely that the modern surge in human numbers will be checked by social and political changes long before absolute ecological limits are approached.

The reason for making such an assertion is this: human populations resist immiserization and will go to great lengths to avoid obvious lowering of their accustomed standards of living. Long before increasing poverty reaches the level of consumption required for bodily sustenance, people take action of one sort or another to avoid further impoverishment. Sometimes peaceable migration or change of occupation suffices to relieve the problem for individuals and families. When that fails, collective violence normally results. The political history of the world since 1750 reflects this fact, for it was rural discontent arising from overcrowding on the land that provided the background for crowd action and revolutionary upheaval in France in 1789, in Russia in 1917, in China in 1949 and more recently in such places as El Salvador, Peru, Lebanon and Iran.

Moreover, resistance to immiserization has become far more vigorous in recent decades because new forms of communication have penetrated even remote villages, thanks to the flexibility of radio and TV broadcasting. Subsistence farmers, who in a previous generation encountered outsiders only rarely and as strangers, find a new world opening before them when radio and TV programs begin to flood into the village square or even into their homes. This has now happened to most of the population of the earth. Entrancing visions of the possible swim into peasants' consciousness when radio and TV expose them to urban talk and to urban scenes. Pushed by intensifying land shortages at home in the village and pulled by the charm of urban comforts as revealed to them by the new communications, peasant populations are ready, as never before, to claim the rights of full citizenship and equality of circumstances with privileged urban dwellers.

This, it seems to me, is the most critical axis of world affairs in our time. Since civilization began, the gap between town and country has been fundamental. The rural majority produced more food than it consumed, and surrendered the surplus to

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its social superiors in the form of rents and taxes, thus provisioning the town dwellers, who for millennia gave little or nothing back in return, unless one counts a somewhat uncertain protection against rival human predators. Even when economic exchanges between town and village began to modify the stark exploitation of the countryside that prevailed in the earliest phases of civilized history, rural folk long remained economically disadvantaged and politically passive.

The issue in our world today is whether rural aspirations for equality with urban folk and for active citizenship will conform to the patterns of peasant rebellion from the past, or not. Modern communications make it hard to imagine that a great gap between town and country can be maintained indefinitely into the future. Rural folk are unlikely to accept their disadvantaged status passively as in times past, particularly when growing numbers make continuation of traditional village routines impractical because there is no longer enough land to support the rising generation in the old way.

In most of the Third World, this kind of pressure on traditional behavior looms close ahead, if it has not already reached critical levels. To be sure, improvements in technique can stave off immiserization for a while. But there are limits to what new crops, fertilizers and pesticides can do in crowded countrysides, especially when entitlements to the increased harvests are not equally distributed among the population as a whole, or even within the village itself. When successful, agricultural improvements avert crisis for a generation or so. But if population growth continues, that merely postpones collision between still greater numbers and available plots of land, and makes the crisis that much more massive and intractable when it comes.

Whenever the old ways fail to produce traditional and expected results, breakdown of what is perceived to be right and just makes resort to political violence along the lines of traditional peasant rebellion easy to organize. Ideological flags to justify armed rebellion are everywhere ready at hand. Religious, Marxist and nationalist programs compete and blend into various combinations of the three. But generous revolutionary ideals have a nasty way of inviting betrayal. The plain fact is that a numerous, poverty-stricken and angry peasantry, inspired by revolutionary ideals, is almost impossible to fold into democratic politics, and dictatorship, of whatever kind, must depend on some sort of elite, whose efforts to

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maintain its power and enforce public peace and order are sure to alienate the poor. Leveling down is easier than raising the majority to new levels of skill, wealth and political participation. But that, too, disappoints the hope of betterment that burns so brightly among the world's disadvantaged rural majority.

Emigration to richer lands offers an alternative for some villagers. Millions have already come to the United States and to Western Europe; and their remittances back home help to cushion local difficulties in many Latin American, Caribbean and Muslim villages. But the hardships migrants face, and the dislike they arouse because of their different appearance and behavior, make emigration a political risk for both parties, and, in any event, demographers unanimously agree that migration on a scale sufficient to relieve rural overcrowding among the four-fifths of humankind that now confront it is simply inconceivable.

IV

Behind the turbulence of our age lies another intractable problem. We face a gap between the scale of political management by separate, sovereign national units and the exchanges that flow so swiftly around the globe. Information flows are especially pervasive. As I have already emphasized, by penetrating everywhere, modern communications alter prevailing patterns of conduct, expectation and behavior. Indeed, one can argue that the central disturber of our age is the communications revolution, in the sense that it is this that directly affects human consciousness, arousing new hopes and fears, and provoking new sorts of behavior.

By far the most interesting postwar experiment in widening the scale of deliberate management beyond the national frame arose from the ruins of the Nazi war economy in Europe. After cringing beneath the *Diktat* of jackbooted conquerors between 1940 and 1945, West Europeans responded to the gentler hegemony of the United States and qualified for Marshall Plan aid by embarking upon a policy of consultative cooperation across national frontiers, beginning in 1947. The European Economic Community, which eventually emerged from these efforts, has proved so vigorous that most barriers to economic exchanges are scheduled to disappear in 1992. How gracefully 12 supposedly sovereign governments will submit to a single set of rules for their respective national economies

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remains to be seen, although the post-World War II record of international cooperation and coordination in Western Europe, and the prosperity that has prevailed there since the 1950s, augur well for the future.

The European Economic Community, nevertheless, owes much of its past success to the fact that separate and individual European nations felt themselves dwarfed by the emergence of the two superpowers and, more recently, by Japan. By combining resources, Europeans could meet Americans, Russians and Japanese on even terms, or even hope to outstrip them. In effect, therefore, the postwar world has been dominated by a handful of industrialized powers, each responding to its own system of large-scale internal management. And just as big private corporations were once in a position to dictate terms of their exchanges with ill-organized consumers and small businessmen, so in recent decades the best-organized political economies have been in a position to dictate terms of trade to the less well-organized peoples of the Third World.

It is arguable that the result is to increase market risks confronting the poor and ill-organized peoples of the earth. Efforts to concert financial policy among the principal trading nations with respect to loans and aid to the so-called developing nations may ease the difficulty, or may exacerbate it, since what benefits the rich may not always benefit the poor. All depends on how broadly the key managers—political as well as economic—envision costs and benefits.

Clearly what is needed is a global effort at ecologically and politically sustainable development. Somehow worldwide management of capital flows, migration flows, pollution, energy use and exchange of goods needs to become explicit—and efficient as well. In all such exchanges, the needs and interests of the senders and of the receivers must be balanced against each other, relying upon a combination of market pricing and deliberate acts of policy to adjust the terms of trade. That is to say, the scale of management needs to become global to catch up with the actual interdependence that modern communications have in fact inaugurated.

Easy to say; hard, perhaps impossible, to accomplish. But the same might have been said in 1870 about the possibility of managing an entire industrial process from extraction of raw materials to the marketing of finished goods, and the same most certainly was said in the early 1930s, when effective nationwide economic management was only a socialist dream.

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The reality of our actual interdependence may eventually come home to all the peoples of the earth so forcibly that efforts to minimize risk and expand the range of deliberate control will prevail over all the obstacles that now make such a world system hard to imagine.

Recourse to world government, exercising mandatory and presumably dictatorial power over all of humankind, is anything but attractive to anyone who is heir to the liberal tradition. Recent difficulties in Russia surely suggest that such a regime might be more of a problem than a solution to the disparities that currently distract global society. Piecemeal coordination and negotiation among existing states and transnational organizations, private as well as public, is clearly more promising. People can learn to take account of a widening circle of interests and consequences of their actions if all the parties affected by a given policy are able to make their wishes known.

On the other hand, there are and always will be divergent interests. Policies that benefit some and hurt others will be hard to enforce, even if some urgent global need or a clear majority of the human race may seem to require such an action. Politics has always turned on exactly this question, and if the theater of politics becomes increasingly international and global, as seems likely, one can perhaps suppose that the same sort of compromises, evasions, deceits and half-truths that dominate public life within the national frame will continue to operate within the expanded horizon of transnational interests and concerns.

Real disaster, if it occurs, will teach its own lessons, as the wars and depressions of our century assuredly have done. Conversely, behavior that gets results most people like will tend to spread and multiply. That is how human societies have always conducted their affairs—avoiding what hurts and seeking what satisfies human needs, wishes and hopes. No doubt, mistakes always outnumber effective solutions to new problems, but sooner or later, when mistaken behavior becomes too costly, people correct their mistakes, or at least try to. That is what seems to be happening in the Soviet Union and Eastern Europe right now. American mistakes are less obvious, and we are correspondingly sluggish in seeking to correct them.

Two such mistakes, I suggest, are the halfheartedness of official response to ecological problems and a military policy preoccupied with preparing for high-tech international war

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when low-grade local violence—both at home and abroad—is a more likely occasion for American military action. But our most important mistake, it seems to me, is that our public discourse has neglected demographics almost completely, even though population changes within our country and abroad seem likely to present the most acute problems we will face as a nation in the next fifty years or more.

The increasingly obvious failure of our system of child nurture is perhaps the most critical expression of the demographic changes sweeping across our country, and it surely deserves to be addressed in wider terms than the existing "War on Drugs" and "Just Say No." Thoroughgoing monetization of nurturing is probably inescapable in an urbanized and thoroughly monetized society such as ours. We cannot expect to halt the decay of civil society until we recognize this necessity and allocate the sums needed to assure effective transmission of adult habits and values to the young. Paying mothers to stay home and look after their children is an obvious possibility. How to assess the quality of child care such salaried mothers actually delivered to their young would present obvious difficulties; but ways of checking up and of teaching mothers how to earn their salaries might be discoverable, if we really decided that reorganization of existing patterns of nurturing is necessary.

Action abroad to help other countries absorb the shock of population growth is no less critical. Dissemination of agricultural improvements can help for a time, but in Third World countries, where pressure of population threatens the existing social order, parallel efforts to disseminate methods of birth control are just as necessary. Wherever local governments are prepared to cooperate, international efforts ought to concentrate on hastening both these changes. A few examples of actual success in containing population growth and raising standards of rural productivity, if these goals can, in fact, be achieved, are then likely to prove highly contagious, for no one really wants to perpetuate poverty and civil unrest, which are the only alternatives. The United States ought therefore to devote all the influence it has, both in the United Nations and in the various countries of the Third World, to advancing both agricultural improvement and population control.

Migration flows that reflect rural overcrowding present critical questions as well. Perhaps there is such a thing as an optimal rate of migration both for receiving and for sending

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societies. If so, no one knows what it is; what is optimal for the sender is unlikely to be optimal for the receiver. In countries with rapidly growing populations, massive concentration of discontented rural emigrants in capital cities creates a volatile crowd that is sure to have decisive political importance in revolutionary and quasi-revolutionary situations. A policy of keeping surplus hands back on the farm has seldom been attempted and is very difficult to enforce. (As far as I know, the People's Republic of China is the only country in which this has been tried, but with what success no one, I think, can tell. Official statistics are certainly no guide to the truth; and risks endured in getting to Hong Kong show that the Chinese, when they hear of a chance to better their lot, are as ready to disregard the law as any other human population.)

Prohibitions of international migration are also difficult to enforce, even though the principle of territorial sovereignty gives each national government full liberty to define who shall and shall not be allowed to come into the country legally. American experience with illegal aliens shows how hard it is to enforce rules that run against the interest and wishes of millions of people. Foreseeable demographic changes in Mexico and other Latin American and Caribbean countries make it equally obvious that additional millions are likely to wish to come to the United States in the next few decades. Only some sort of catastrophic economic depression that made it impossible for immigrants to find jobs would be capable of stopping the flow. Severe police measures might check but could scarcely halt it completely.

This, I think, is symptomatic of the limits of policy. People resist official acts that run counter to their wishes and interests, and are clever at deceiving constituted authority that seeks to prevent them from doing what they want to do. Given the ease with which people now can travel across long distances, and the even greater ease with which information about living conditions in far places spreads across political borders, I suspect that migration, legal and illegal, will increase in scale until such time as differences in living standards diminish so as to make migration less attractive. On the world scene, this requires closing the age-old gap between village and city—a daunting task indeed. It also requires alteration of the family patterns that sustain the extraordinary rate of rural increase that prevails today.

All the same, governmental policy can affect the pace and

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scale of migration, and if the United States really wishes to diminish illegal immigration, surely the most efficient way to achieve that end is to penalize employers for hiring illegal aliens so severely that the practice would grind to a halt. That, of course, would enhance wage differentials between Mexico and adjacent parts of the United States, and intensify the motivation for deceiving and bribing officials charged with enforcing the law. It would also raise the price of vegetables and other farm products on the American market, and encourage imports.

Whether such costs are worth paying in order to protect Anglo predominance within the borders of the United States is not a trivial question. Ethnic pluralism is sure to lead to internal tensions, especially when class and occupational stratification coincide with ethnic demarcation lines, as will be the case for some time to come in the southwestern United States. It takes time for the descendants of peasant migrants to acquire the skills that might allow them to distribute themselves across the social spectrum of the United States, or any other urban society. Immigrants who hold fast to their native language and culture cannot easily interpenetrate the host society, and, when immigration assumes a certain mass and rate, the motivation for learning the host country's language and coming to terms with the culture of the environing society diminishes sharply.

This, it seems to me, is the crucial question for Latino immigrants in the United States. If they maintain their separateness in matters of language and culture, American society will swiftly polarize between Anglo and Latino communities, with Anglos all too clearly on top. This is a recipe for civil unrest and would put enormous strain on democratic institutions.

Educational policy, immigration policy and the way Caribbean and Latin American societies move either toward greater poverty or toward closer parity with the conditions of life within the United States will govern the way the situation evolves. Two goals of policy emerge: one is to do all we can to hasten the demographic and economic transformation of the lands of emigration so that motives for coming to the United States will fade; the second is to do all we can to hasten the assimilation of recent immigrants into the American mainstream, inviting them, in effect, to distribute themselves up and down the social ladder instead of huddling into a subordinated community of their own.

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Of course, they, and we, together with the hard-pressed populations of other peasant and ex-peasant countries, may merely proceed to make new mistakes. Nevertheless, over the long run, people have always preferred wealth and power to their opposites, and, when choice becomes apparent, the great majority of human beings have always been ready and eager to accept whatever social arrangements seemed able to bring them greater wealth and power. In making such choices, foresight is persistently defective. Unexpected side effects and unforeseen costs always arise, creating new situations that require new decisions and further choices. That is the stuff and substance of recorded history; but despite all the blind alleys and cruel disasters that have beset humankind across the centuries, it still remains true that our predecessors did succeed in cumulatively increasing the wealth and power at their disposal until in recent times, everyday reality has outrun the wildest dreams of past centuries.

There is no reason to suppose that this pattern will not continue into the future, even though we may, indeed, have learned to master local circumstances and evade local disasters only by exposing ourselves to fewer but bigger—even global—disasters. Nonetheless, when, amid the multiplicity of errors, an innovation turns up that satisfies human needs better than before, it is highly contagious and tends to displace less effective sorts of behavior, just as biological mutations, when they prove advantageous to the survival of a particular organism, also tend to spread.

The miracles of interdependence that characterize the earth's ecosphere today arose from processes of selection operating on apparently random genetic mutations. The global interdependence of contemporary humanity results from historical selection operating upon a diverse array of culturally directed behavior. We have the advantage over other organisms of being capable of a vastly expanded range of mistakes, simply because we interpose words, numbers and other symbols between ourselves and the outer world. This makes human behavior far more changeable than anything genetic mutation and organic evolution can match. (Mutations in viruses and other micro-organisms are almost as quick, but so far scientists and doctors have kept ahead of nearly all viral mutations so that humanity remains the sovereign disturber of ecological relationships on the face of the earth.)

Another way of describing our role on earth is to say that

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historical, cultural evolution supplanted biological evolution as the principal engine for changing the face of the earth, from the time our ancestors became fully human and began to combine tools with words to organize the hunt. But historical change, by selecting successful behavior and discarding mistakes, still conforms to the older pattern of evolution in the sense that no one knows the upshot, or foresees the future accurately, even though individual choices and actual experiences of ordinary people, as well as of political leaders and administrators, do add up to making the future into whatever it will be.

In a time when winds of change are blowing very strong, we must rest content with knowing that foresight is always imperfect and that choices must always be made in ignorance of their full consequences. That is the price we pay for being able to make the world over by changing our own behavior, individually and collectively, in response to cherished hopes and shared purposes, framed in words. Our capacity to err is our capacity to learn and thereby achieve partial and imperfect, but real, improvement in the conditions of human life.

The possibility of overcoming the age-old inequity between town and country seems inherent in our contemporary circumstance. To achieve that goal, some way of checking the rural population growth will have to be found, along with who knows what else to bridge the gap that now divides the poor peasantry of the earth from the urban rich. Checking the social decay that exists in contemporary urban society may turn out to be quite as difficult as learning how to accommodate the demands of the peasant majority of humankind. Avoiding ecological catastrophe on a global scale may be hardest of all, since bringing the rural majority up to an urban standard of living would enormously intensify pollution, while the alternative of depressing existing urban standards to peasant levels appeals to no one.

A humane and comfortable outcome cannot be counted on. Moral and practical dilemmas are with us always and will continue indefinitely into the future. All one can say with confidence is that hitherto human history has been a success story, despite powerful back eddies and recurrent disasters. One can believe, but one cannot know, that the trend will continue, even though, or just because, the problems and possibilities of our age are so enormous.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Lucy Edwards Despard

General: Political and Legal

Andrew J. Pierre

THE CATHOLIC CHURCH IN WORLD POLITICS. By Eric O. Hanson. Princeton: Princeton University Press, 1990, 485 pp. $16.95 (paper).

This is a remarkably wide-ranging and carefully crafted volume on an often overlooked but important topic. The Vatican is deeply involved in international affairs, as this book makes clear. Hanson gives much attention to the role of the Catholic Church in Western and Eastern Europe, but also details and evaluates its participation in the international system through chapters on arms control as a Catholic political issue and its role in moderating the East-West rivalry of the past. Particular attention is rightly given to the influence the Catholic Church has gained as a result of the active role of Pope John Paul II.

DEMOCRACIES IN REGIONS OF CRISIS: BOTSWANA, COSTA RICA, ISRAEL. By the National Democratic Institute for International Affairs (Washington), 1990, 145 pp. $7.95 (paper).

Three widely divergent nations having one characteristic in common—democratic forms of government—were selected as the basis of this study. The question was this: What creates or maintains democratic institutions in nations that are under serious internal or external threat? The answer suggested is a combination of a tradition of tolerance for free speech and dissent, diffusion rather than concentration of power and adaptation to local conditions and practices. These threads, common to such a varied set of nations, need to be studied more extensively than was possible here in order to progress toward a general theory. This book, however, represents an interesting start.

THE FOUR WORLD FOOD AGENCIES IN ROME. By Ross B. Talbott. Ames: Iowa State University Press, 1990, 200 pp. $29.95.

This is an excellent presentation and analysis of the four principal international organizations concerned with agriculture: the Food and Agricultural Organization, World Food Program, World Food Council and the International Fund for Agricultural Development. The author, a political scientist at Iowa State University, cogently explains how they came to be, their policymaking process and what they seek to accomplish. His overall scorecard on them is favorable, but he notes that American leadership within these organizations fluctuates as he makes the case for a more active U.S. role.

ENOUGH IS ENOUGH. By Davison L. Budhoo. New York: New Horizons Press, 1990, 115 pp.

This work consists of an open letter to the managing director of the International Monetary Fund submitting the author's resignation from its staff. It is an angry letter, for this 12-year IMF veteran from Grenada

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launches a broadside of accusations. His charges range from blatant and systematic manipulation of statistics, to excessive salaries for IMF employees and the drawing of benefits from a "honey pot," to the creation of harsh "conditionalities" for loans to poor countries that depress living standards and augment poverty. There may be justice to Budhoo's claims, but the vitriolic nature of his prose may diminish their chances of getting serious attention from member governments.

THE THIRD GENERATION WORLD ORGANIZATION. By Maurice Bertrand. Dordrecht (Netherlands): Martinus Nijhoff, 1989, 217 pp. $62.50.

In this work on the U.N. system there are a number of interesting ideas, some visionary—perhaps even utopian—and some more realistic. Altogether, however, the reader is left longing for a more comprehensive analysis of how the United Nations might be reformed.

CULTURE AND INTERNATIONAL RELATIONS. Edited by Jongsuk Chay. New York: Praeger, 1990, 295 pp. $45.00.

The cumulative breadth of the 18 separately authored essays in this ambitious volume is so overwhelming that the work loses focus and clarity. Topics range from music in international relations to Islamic revivalism. While the cultural aspects of international relations are a significant subject and there are some excellent contributions here, the topic is perhaps best tackled by a single, erudite mind.

General: Military, Technological and Scientific

Gregory F. Treverton

FIGHTING FOR PEACE: SEVEN CRITICAL YEARS IN THE PENTAGON. By Caspar Weinberger. New York: Warner Books, 1990, 464 pp. $24.95.

This is no kiss-and-tell account, far from it; Weinberger remains loyal to his president, a nice change from most of his Reagan administration colleagues. The book is not long on perspective. The only administration action Weinberger sharply criticizes is the arms sales to Iran (though he is critical enough of Robert McFarlane to have prompted threats of lawsuits). But the book provides a wealth of material for future historians to argue about. Weinberger, for instance, implies he was the architect of the "zero option" arms control offer and relegates Richard Perle to a distinctly secondary, though admired, role.

STILL THE ARMS DEBATE. By Robert A. Levine. Brookfield (VT): Dartmouth Publishing Company, 1990, 453 pp.

Levine, now a senior RAND Corporation analyst, revisits the book he wrote in 1963 soon after he arrived at RAND, *The Arms Debate*. In the intervening years, he has moved back and forth from Washington, making policy. As he notes, the nuclear danger between the superpowers has become less as the understanding of the complexities of the public debate has grown. As in his earlier book, Levine lucidly sets out the logic of the various arguments about America's security, with a civility that is as welcome now as it was in 1963.

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ENGINES OF WAR: MERCHANTS OF DEATH AND THE NEW ARMS RACE. By James Adams. New York: Atlantic Monthly Press, 1990, 307 pp. $19.95.

For every solution there is a problem, de Gaulle is supposed to have said. As the superpowers reduce their arsenals, their arms makers have even more incentive to find new export markets in the Third World. More important, as lethal new technologies seep around the world, they are "more readily available to any dictator, terrorist or drug-trafficking organization." The theme is not new, but Adams, the defense correspondent for the *Sunday Times* of London, provides thorough investigative journalism and vivid stories.

STRATEGIC POWER USA/USSR. Edited by Carl G. Jacobsen. New York: St. Martin's Press, 1990, 519 pp. $45.00 (paper, $19.95).

The usefulness of this reference has not been vitiated by events of the last year. Written by a who's who of analysts—American, Soviet and other—its chapters address differences in the strategic cultures of the two countries, from theory to process. Jacobsen, a Canadian, brings to the editing his country's own combination of detachment from, and understanding of, the United States.

COMMAND, CONTROL AND COMMON DEFENSE. By C. Kenneth Allard. New Haven: Yale University Press, 1990, 317 pp.

If America's military services are all supposed to be on the same side, why are they so different? This soldier/scholar's answer, nicely done, is their institutional histories and personalities. The young American republic determined that its commerce required a permanent navy, but would raise an army only if and as circumstances required. The doctrines of the two services were sharply different: combined arms for the army meant discretion at low levels but centralization at the top; the navy by contrast centered authority in ship captains, with more decentralization at the top. What is needed is a "strategic paradigm" that would unify these separate perspectives born of distinct operational requirements.

ALLIES IN CRISIS: MEETING GLOBAL CHALLENGES TO WESTERN SECURITY. By Elizabeth D. Sherwood. New Haven: Yale University Press, 1990, 245 pp. $25.00.

Indochina, Suez, Indochina again, Afghanistan: the list is usually taken as NATO's woeful failure to agree on issues outside Europe. Not so, argues this fine history. The allies have managed to assure that their disagreements beyond Europe have not damaged the core of their alliance in Europe, and they have often found ways to cooperate informally, outside NATO, in a "shadow alliance."

ASSESSING PEACE IN A CHANGING WORLD: CRITICAL CHOICES FOR THE WEST'S STRATEGIC AND ARMS CONTROL POLICIES. By Lynn Etheridge Davis. Washington: Johns Hopkins Foreign Policy Institute, 1990, 87 pp.

REGAINING THE HIGH GROUND: NATO'S STAKE IN THE NEW TALKS ON CONVENTIONAL ARMED FORCES IN EUROPE. By Barry M. Blechman, William J. Durch and Kevin P. O'Leary. New York: St. Martin's Press, 1990, 217 pp. $39.95 (paper, $14.95).

CONVENTIONAL FORCE REDUCTIONS: A DYNAMIC ASSESSMENT. By Joshua M. Epstein. Washington: Brookings Institution, 1990, 275 pp.

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The rapid changes in Europe have not left these books unscathed, but all are written by distinguished analysts and all remain useful. The book by Davis is a brief, readable primer to the arms control issues, nuclear and strategic, confronting the United States and its European allies. Epstein, half of whose book is tables, meticulously assesses how the balance of conventional forces in Europe would be affected by various arms control agreements. The purposes of Blechman and his colleagues are broader, looking at political as well as military stakes in arms negotiations.

THE SOVIET UNION AND THE POLITICS OF NUCLEAR WEAPONS IN EUROPE, 1969–1977. By Jonathan Haslam. Ithaca: Cornell University Press, 1990, 227 pp. $34.95 (paper, $13.95).

Why *did* the Soviet Union deploy SS-20 missiles aimed at Europe—intimidation, arms racing, sheer inertia, an unintended effect of arms control, or a bargaining chip? This British scholar's answer combines all of these but leans heavily on the last. Thus Moscow reversed course and agreed to dismantle the SS-20 when it finally became clear that its strategy had failed. Haslam reckoned, at least before recent events, that Moscow had learned only a limited lesson from the episode: not the hazard of trying to achieve security through unilateral action, but rather that Western Europe, if still dependent on the United States, "is fully capable of upsetting the superpower apple cart by mobilizing U.S. power to Soviet disadvantage."

COMMERCIAL OBSERVATION SATELLITES AND INTERNATIONAL SECURITY. Edited by Michael Krepon and others. New York: St. Martin's Press, 1990, 230 pp. $45.00.

As commercial satellites get better and better, the pictures from their military counterparts will no longer be the last argument of kings, as they were in the Cuban missile crisis. Photo interpreters will assume places as pundits on the network news. More pictures will also mean more interpretations because so much depends on the eye of the beholder, as anyone who has ever seen a spy-satellite photo will attest. This Carnegie Endowment volume is a rich, if richly priced, introduction to these emerging issues.

General: Economic and Social

William Diebold, Jr.

AMERICA'S STRUGGLE FOR LEADERSHIP IN TECHNOLOGY. By Jean-Claude Derian. Cambridge: MIT Press, 1990, 309 pp. $29.95.

Several years in the French embassy in Washington in the mid-1980s gave Derian interesting opportunities to study American successes and failures in both commercial and defense technology. Behind many of these stories, which are familiar but well told, he sees interesting and suggestive contrasts in the approach to research and development by "two cultures"—one "sheltered" by government and one "exposed" to international competition. He looks at the same approaches in Europe and Japan. Although he believes that the American system "is slowly adjusting to its new international environment," he is not altogether persuasive on that point, nor does he try to work out just where that process will leave us.

SAVING THE MEDITERRANEAN: THE POLITICS OF INTERNATIONAL ENVIRONMENTAL COOPERATION. By Peter M. Haas. New York: Columbia University Press, 1990, 303 pp. $42.00.

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It is rare for a careful study of international relations to support a comforting, optimistic conclusion. Haas makes a strong case for the view that in dealing with the manifold threats to the Mediterranean there has emerged "a large amount of cooperation . . . of a new form . . . more comprehensive, future oriented, and sensitive to environmental interlinkages between issues" than was to be expected. How this has come about, and the key part played "by the influence wielded by specialists with common beliefs," is traced in detail in this excellent study in a field where governments are facing new problems and new possibilities—and too often following their old, easily understood and counterproductive ways.

THE COMPETITIVE ADVANTAGE OF NATIONS. By Michael E. Porter. New York: Free Press, 1990, 855 pp. $35.00.

Building on his earlier work on competitiveness and aided by a study of a hundred companies in ten countries, this Harvard Business School professor undertakes to replace old views of comparative advantage with new explanations of what makes for success in global competition. Although he thinks governmental action can be of only modest help, he finds that the growth of national economies is important, especially in providing strong home demand for the right products, clusters of supporting industries and education tailored to specific needs. As the combinations differ from country to country, his national studies are of special interest. He stresses the importance of competition and warns against too much cooperation among businessmen. His bill of particulars for the United States differs from that of many business groups, especially when he speaks against pooled research and development, the spread of mergers and acquisitions, and protection from foreign competition (except as a means of opening foreign markets).

GLOBAL COMPANIES AND PUBLIC POLICY: THE GROWING CHALLENGE OF FOREIGN DIRECT INVESTMENT. By DeAnne Julius. New York: Council on Foreign Relations Press (for The Royal Institute of International Affairs), 1990, 126 pp. $14.95 (paper).

Concentrating on the large amount of direct investment that links the economies of Japan, the European Community and the United States, this thoughtful book suggests some of the changes that ought to be made in our ways of thinking about trade, comparative and competitive advantage, extraterritoriality, the treatment of foreign firms and the relation of investment to macroeconomic developments. It provides some new ways to measure investment but shows that more data are needed to carry forward new lines of analysis.

INTERNATIONAL NUCLEAR TRADE AND NONPROLIFERATION: THE CHALLENGE OF THE EMERGING SUPPLIERS. Edited by William C. Potter. Lexington (MA): Lexington Books, 1990, 426 pp. $49.00.

As the capacity to produce the ingredients of nuclear weapons spreads, the inadequacy of international arrangements to control or guide their export becomes increasingly dangerous. By bringing together the work of a number of experts who set out the basic data (so far as they are known) and provide well-thought-out frameworks for analysis and a review of policy suggestions, this book establishes itself as a valuable basic work.

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PERSPECTIVES ON TRADE AND DEVELOPMENT. By Anne O. Krueger. Chicago: University of Chicago Press, 1990, 385 pp. $49.95.

One of the leading American authorities on the relation between foreign trade and economic development draws together 15 papers, empirical and theoretical, that throw much light on her subject.

RETHINKING INTERNATIONAL TRADE. By Paul R. Krugman. Cambridge: MIT Press, 1990, 227 pp. $25.00.

THE AGE OF DIMINISHED EXPECTATIONS. By Paul R. Krugman. Washington: Washington Post Company, 1990, 110 pp. $195.00 (paper, $17.95).

In *Rethinking International Trade*, this professor from the Massachusetts Institute of Technology has collected some of the major papers that have made him one of the principal formulators of the "new theory of international trade" that takes account of imperfect competition and increasing returns to production. Only the introduction, however, and some summaries can be read by people not familiar with contemporary economics and mathematical exposition. In great contrast, *The Age of Diminished Expectations* is lively, fast-moving and clearly designed to upset some major tenets of the conventional wisdom about the present state of the American economy and the policy choices facing the country. Some of the more startling effects are obtained by such traditional economic practices as dealing in large aggregates and assuming quick and frictionless shifts in trade and production. A judicious insertion of "maybe" goes along with a clear exposition of alternative lines of reasoning. Many people will disagree with much of what is said, but the book gets high marks for making readers think.

PATCHWORK PROTECTIONISM: TEXTILE TRADE POLICY IN THE UNITED STATES, JAPAN, AND WEST GERMANY. By H. Richard Friman. Ithaca (NY): Cornell University Press, 1990, 209 pp. $27.95.

At the core of this book is a play-by-play analysis of how textile policy was made in the United States until the early 1960s, in Germany from 1963 to 1969 and in Japan during the 1970s and early 1980s. The author's effort to explain the behavior is concerned more with the theories of other scholars than with the effects of the actions on the national economies, the international trading system or the structure of the world textile industry.

ECONOMIC CRISIS AND POLICY CHOICE: THE POLITICS OF ADJUSTMENT IN THE THIRD WORLD. Edited by Joan M. Nelson. Princeton: Princeton University Press, 1990, 378 pp. $45.00 (paper, $14.95).

A team of political scientists, aided by economists, spent a good bit of time digging into the measures that a number of developing countries adopted to deal with major economic pressures in the 1980s. Their results, which cannot be neatly condensed, show a complex interplay of factors and a variety of behavior that make for rich reading.

DEREGULATION OR RE-REGULATION? REGULATORY REFORM IN EUROPE AND THE UNITED STATES. Edited by Giandomenico Majone. New York: St. Martin's, 1990, 262 pp.

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Two studies of American deregulation provide a background for a series of able papers by European academics about comparable issues in various countries, the European Community, and some industries. Unfortunately many broad and basic questions are not covered.

THE ECONOMIC LIMITS TO MODERN POLITICS. Edited by John Dunn. New York: Cambridge University Press, 1990, 226 pp. $29.95.

Perhaps because they draw heavily on history and past political theory, these essays by professors at American and English universities go deeper and are more enlightening than the writings of those who have only recently discovered the need for combining political and economic analysis. Unfortunately, no one has tried very hard to put together the findings of these interesting and learned pieces.

ELUSIVE STABILITY: ESSAYS IN THE HISTORY OF INTERNATIONAL FINANCE, 1919–1939. By Barry Eichengreen. New York: Cambridge University Press, 1990, 335 pp. $49.50.

These interesting studies of international monetary experience between the wars often challenge received views that have influenced postwar policy-making and current thought. The essay with the broadest scope shows that the currently fashionable view that past monetary stability depended on a hegemonic power is seriously oversimplified when it does not allow for the importance of the cooperation or independent action of other countries.

COOPERATION AMONG NATIONS: EUROPE, AMERICA, AND NON-TARIFF BARRIERS TO TRADE. By Joseph M. Grieco. Ithaca (NY): Cornell University Press, 1990, 255 pp. $39.95 (paper, $13.95).

This book provides a useful description of the way in which the codes negotiated in the GATT's Tokyo Round were applied over a period of years. It is more valuable when it digs into the reasons the United States or the European Community took one position or another. But the author is primarily interested in this experience as a test of two theories of state behavior, which concerns a different audience and makes for generalizations that conceal details that need examination.

ECONOMIC REFORM IN THREE GIANTS: U.S. FOREIGN POLICY AND THE U.S.S.R., CHINA, AND INDIA. Edited by Richard E. Feinberg, John Echeverri-Gent and Friedemann Muller. New Brunswick (NJ): Transaction Books (for the Overseas Development Council), 1990, 256 pp. $24.95 (paper, $15.95).

"Size matters" but the other similarities of China, India and the Soviet Union are less clear-cut. A chapter on science and technology is the best addition this book makes to its exposition of the now rather familiar case for the interest the United States and other Western countries have in seeing successful reform of these economic systems.

COOPERATION FOR INTERNATIONAL DEVELOPMENT: THE UNITED STATES AND THE THIRD WORLD IN THE 1990s. Edited by Robert J. Berg and David F. Gordon. Boulder (CO): Lynne Rienner, 1989, 356 pp.

Conferences based on extensive studies marked both the years when Americans had confidence (which proved to be misplaced) in their ability to help decisively in bringing about economic development and the longer

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period since of unease about the relations between rich and poor countries. That the same procedure will continue is suggested by this good collection of papers that stress mostly what is new, including shifts in American foreign relations, cooperation in pursuit of mutual objectives instead of aid, and the need for developing countries to concern themselves with food, cities and the environment.

The United States

Gaddis Smith

OUR COUNTRY: THE SHAPING OF AMERICA FROM ROOSEVELT TO REAGAN. By Michael Barone. New York: Free Press, 1990, 805 pp. $29.95.

This exuberant, fast-paced historical analysis of American national politics demonstrates that whom we elect and how we elect them are important and interesting matters. Barone's two principal theses—well supported by statistics and narrative—are, first, cultural issues are generally more important than economic ones and, second, in time of war the nation moves toward big government and uniformity, in time of peace toward smaller government and diversity. One might add that political tension may be particularly high in times of neither war nor peace. This is an important book of prize-winning quality.

AMERICAN POWER: THE RISE AND DECLINE OF U.S. GLOBALISM, 1918–1988. By John Taft. New York: HarperCollins, 1990, 321 pp. $22.50.

This lively book deals with the ideas and behavior of nine well-known diplomats: Bullitt, Murphy, Welles, Kennan, Harriman, Bowles, John Foster Dulles, Bunker and Lodge. The author describes a generation of liberal internationalists who, despite an isolationist public, engineered world supremacy for the United States, then lost their nerve. His attitude toward them, and what he sees as resurrected isolationism, is ambivalent. The biographical approach is readable, but exaggerates the influence of personal characteristics.

THE COLD WAR IS OVER. By William G. Hyland. New York: Times Books, 1990, 240 pp. $18.95.

Hyland begins unequivocally: "The cold war is over. The United States and its allies have won." The unpersuaded American right can disagree with the first sentence; liberals and Gorbachev can challenge the second. Dating the origin of the Cold War as the 1939 Nazi-Soviet pact, the author has no doubts that principal responsibility lies with the Soviet Union and its leaders—the Kremlin's determination to make the empire stronger than any of its adversaries and irresponsible and pugnacious Soviet behavior. He also gives credit to Gorbachev for bringing to fruition the revolution in Soviet policy that has made the end of the Cold War possible. It would be fascinating to have a parallel study by a Soviet author of equally strong opinions, experience and honesty.

LOOKING BACK ON THE REAGAN PRESIDENCY. Edited by Larry Berman. Baltimore: Johns Hopkins Press, 1990, 332 pp. $45.00 (paper, $13.95).

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The authors of these essays on the Reagan presidency agree that its importance in changing the issues of government and the direction of foreign policy was immense. They cannot claim to predict how lasting these changes will be. The evaluations are mixed, but more positive than negative. Relatively little attention is devoted to items on the liberal agenda such as poverty, cities, child care, education and the environment.

IN THE ARENA: A MEMOIR OF VICTORY, DEFEAT AND RENEWAL. By Richard Nixon. New York: Simon & Schuster, 1990, 384 pp. $21.95.

Here is the literary Nixon at his best: a hard-nosed Polonius extolling the uses of adversity in a world full of enemies; uncompromising defender of himself as injured victim; disparager of journalists, historians, political scientists and educators in general; voice of caution on dealing with the Soviet Union whose military forces, he believes, "while leaner, are stronger than when Gorbachev came to power."

RICHARD NIXON AND HIS AMERICA. By Herbert S. Parmet. Boston: Little, Brown, 1990, 755 pp. $24.95.

Biographies of individual American presidents appear in bunches: a first flurry of journalistic impressions, a second round about 15 years later when some archival material is available and a third round when the subject can be placed in long-term context. We are in the midst of the second round for Richard Nixon. This volume by a prolific historian belongs to the second round but aspires to the third. The somewhat amorphous theme is Nixon as the effective embodiment of the dreams and fears of the "silent majority."

AS I SAW IT. By Dean Rusk, as told to Richard Rusk. New York: Norton, 1990, 672 pp. $29.95.

Dean Rusk took no papers from government service into private life. For years he refused to write his memoirs and maintained a stoic reticence about expressing his personal feelings. Even the quasi-authorized biography by David Schoenbaum, *Waging Peace* (1988), was not very revealing. But here we have a unique form of memoir, oral history as an act of reconciliation between Dean Rusk and his son Richard, checked and reinforced by the research of the editor, Daniel Papp. Secretary Rusk's powerful belief in the United States as bulwark against aggression (his understanding of what Vietnam meant), his quiet wit and distaste for self-aggrandizement are eloquently expressed. This book will clarify and enhance his place in history.

AMERICAN GUERRILLA. By Roger Hilsman. Washington: Brassey's, 1990, 312 pp. $21.95.

Here is the enthralling memoir of a young American officer's guerrilla war against the Japanese in World War II. The author, of course, went on to be an influential State Department official in the Kennedy years, much involved with Vietnam, and a distinguished political scientist. The book concludes with some useful reflections on the conditions required for guerrilla warfare to be effective.

FRANKLIN D. ROOSEVELT: A RENDEZVOUS WITH DESTINY. By Frank Freidel. Boston: Little, Brown, 1990, 710 pp. $24.95.

This distillation of decades of the author's scholarship can now stand as

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the best one-volume biography of FDR. The familiar events and personality are gracefully set forth for the general reader with enough new detail to attract specialists. Those who persist in believing that Roosevelt deliberately sacrificed the navy at Pearl Harbor or the freedom of Eastern Europe to Stalin will find no support here.

GENERAL OF THE ARMY: GEORGE C. MARSHALL, SOLDIER AND STATESMAN. By Ed Cray. New York: Norton, 1990, 847 pp. $35.00.

Here is an outstanding, detailed biography of the most praised American soldier/statesman of this century; Marshall was a totally incorruptible leader with deep intellect, a crisp capacity for decision and selfless dedication. The devotion that suffuses this volume is fueled by the author's belief that Marshall's qualities "are today in scarce supply."

SAME BED, DIFFERENT DREAMS: AMERICA AND JAPAN—SOCIETIES IN TRANSITION. Edited by Alan D. Romberg and Tadashi Yamamoto. New York: Council on Foreign Relations Press, 1990, 138 pp. $14.95 (paper).

These succinct essays based on extensive polling data trace changing American and Japanese attitudes toward work, minorities, women and political structures. The book succeeds in combating simplistic stereotypes and is, on balance, optimistic about the capacity of the two societies to sustain a constructive interdependence.

SHARING WORLD LEADERSHIP?: A NEW ERA FOR AMERICA AND JAPAN. Edited by John H. Makin and Donald C. Hellmann. Washington: American Enterprise Institute, 1989, 274 pp.

The thrust of this volume by Japanese and American academics is summed up in the title of Donald Hellmann's concluding essay, "The Imperatives for Reciprocity and Symmetry in U.S.-Japanese Economic and Defense Relations." The book focuses heavily on meeting the Soviet threat, although the authors do admit circumstances are changing. All agree that Japan should assume more of the burden.

The Western Hemisphere

Abraham F. Lowenthal

DEBT AND CRISIS IN LATIN AMERICA: THE SUPPLY SIDE OF THE STORY. By Robert Devlin. Princeton: Princeton University Press, 1989, 320 pp. $35.00.

Written from a South American perspective by a staff economist of the U.N. Economic Commission for Latin America and the Caribbean, this substantial study argues that Latin America's debt crisis of the 1980s and the resulting regionwide recession are owed largely to the role of commercial banks, which overexpanded credit and then overcontracted when the region's liquidity problems became evident. Devlin argues that there was an inherent tendency of unregulated banking to overlend in the 1970s, and that conversely in the 1980s the banks shifted to underlending "primarily designed to protect the loan portfolios of the banks at a disproportionate cost for the debtors." In a final chapter of policy prescriptions, Devlin urges Latin American debtors to defend their own economic interests by developing new payment options, including unilateral limitation of debt service.

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LOST ILLUSIONS: LATIN AMERICA'S STRUGGLE FOR DEMOCRACY, AS RECOUNTED BY ITS LEADERS. By Paul H. Boeker. New York: Markus Wiener, 1990, 333 pp. $24.95 (paper, $12.95).

This collection of interviews with 26 contemporary political leaders from 11 Latin American democracies focuses on why and how the region turned so strongly toward participatory politics during the 1980s. A unifying theme is the "tempered realism of a democracy of lost illusions," a moderation of the demands and expectations of both leaders and followers. The book includes capsule profiles of the interviewees and a final essay on the U.S. role in Latin America's democratic openings by the editor, a retired foreign service officer now heading the Institute of the Americas, a California-based center on western hemisphere affairs.

THE DEMOCRATIC REVOLUTION IN LATIN AMERICA: HISTORY, POLITICS AND U.S. POLICY. By Howard J. Wiarda. New York: Holmes and Meier, 1990, 302 pp. $39.50 (paper, $19.95).

Drawing on his own previous writings, his extensive experience in and around Washington, and some new research, Wiarda explains Latin America's remarkable transition toward democracy during the 1980s, assesses its likely durability and considers the implications for U.S. policy. He concludes that democracy in Latin America has been renewed largely because of a series of coincidences: a combination of special circumstances that temporarily improved the prospects for civilian and participatory politics, but could still give way to a new authoritarian cycle. On U.S. policy, Wiarda argues for "a prudent, balanced, restrained, and ultimately somewhat modest agenda in the areas of human rights and democracy" and for a "prudent, comprehensive, realistic and mature overall policy toward Latin America." He briefly translates these very general biases into specific recommendations. Of particular interest is his generally favorable evaluation of the first year's experience of the National Endowment for Democracy.

THE UNITED STATES AND THE ORIGINS OF THE CUBAN REVOLUTION: AN EMPIRE OF LIBERTY IN AN AGE OF NATIONAL LIBERATION. By Jules R. Benjamin. Princeton: Princeton University Press, 1990, 235 pp. $29.95.

An original and incisive study on the nature of hegemony, this book traces the history of relations between the United States and Cuba from 1898 to 1961, emphasizing the tension between U.S. efforts to "Americanize" and modernize the island and Cuban resentment of U.S. influence and interference. The overwhelming power of the United States in Cuba produced challenges to its own influence at the same time that the U.S. worldview obscured the origins and nature of these challenges. From the perspective of this book, "the Cuban revolution was not a betrayal nor deliverance, nor was it a U.S. policy failure in the ordinary sense of the term; it was rather a natural result of the flawed relationship between two states." A worthwhile contribution.

A HEMISPHERE APART: THE FOUNDATIONS OF UNITED STATES POLICY TOWARD LATIN AMERICA. By John J. Johnson. Baltimore: Johns Hopkins Press, 1990, 271 pp. $32.50.

One of this country's foremost historians of Latin America discusses why

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the strong U.S. interest in Latin America's wars of independence in the early nineteeth century gave way so quickly to U.S. indifference toward the region, thus establishing a cyclical pattern of strong U.S. concern with Latin America followed by profound neglect whether benign or malign. Emphasizing the U.S. concern with national security as the primary objective of western hemisphere policy, Johnson shows that U.S. policies from 1815 to 1830 were shaped by the security framework, by concern that France or Britain might threaten the United States through western hemisphere involvements, and by deeply negative perceptions of the peoples of Latin America. "The predominant perceptions were that Iberians, Indians, blacks, and the mixed races that made up the populations of Latin American nations were inferior, that the nations themselves, given their state of development, would be neither dependable allies nor, for the present, valuable trading partners, and that the future of the United States rested on pushing the western frontier all the way to the shores of the Pacific, thereby assuring space for the nation to fulfill its destiny."

MISSION IN MUFTI: BRAZIL'S MILITARY REGIMES, 1914–1985. By Wilfred A. Bacchus. Westport (CT): Greenwood Press, 1990, 163 pp. $49.95.

A detailed study of the five successive military governments in Brazil from 1964 through 1985, analyzing what Brazil's officers sought to achieve in taking power and assessing what they accomplished and at what costs. The author is generally sympathetic to the motivations and aims of Brazil's military rulers, but recognizes that the ultimate legacy of military rule was mixed at best.

RESPUESTAS PARA LOS 90s. By Pedro-Pablo Kuczynski and Felipe Ortiz de Zevallos. Lima: Apoyo, 1990, 70 pp.

Two of Peru's most knowledgeable and experienced political economists address 70 basic questions about their troubled nation in one page per question. Although necessarily oversimplified, this stimulating primer contributes important and timely illumination on the major issues confronting Peru, from the future of state enterprises to basic education, and from drug trafficking to the Shining Path guerrilla movement.

CONTINENTAL DIVIDE: THE VALUES AND INSTITUTIONS OF THE UNITED STATES AND CANADA. By Seymour Martin Lipset. New York: Routledge, 1990, 337 pp. $29.95.

This erudite, fine-grained comparison is almost entirely between Americans and Anglophone Canadians; Quebec is largely ignored. Within these limits this is a subtle exploration of why Anglophones on both sides of the 49th parallel have differences flowing from a revolutionary (American) and a Tory (Canadian) past. Gaddis Smith

SHADOW OF HEAVEN: THE LIFE OF LESTER PEARSON. VOL. I: 1897–1948. By John English. Toronto: Lester & Orpen Dennys, 1989, 414 pp. $28.95 (Canadian).

This fine opening volume traces Pearson's smooth progression from his late-Victorian boyhood in Ontario, through his service in World War II, studies at Oxford, years as a teacher, rise to distinction as professional diplomat, and finally to his entry into politics in 1948. The theme: how

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Pearson applied "tolerance, universalism and responsibility," the legacy of his youth, to the transformed world conditions that faced Canada.

Gaddis Smith

Western Europe

Fritz Stern

SCIENCE, TECHNOLOGY, AND REPARATIONS: EXPLOITATION AND PLUNDER IN POSTWAR GERMANY. By John Gimbel. Stanford: Stanford University Press, 1990, 280 pp. $29.50.

A carefully researched study of American efforts during and after World War II to discover and, in various forms, to appropriate German scientific and technological know-how in military and civilian fields. "Operation Paperclip" was associated with but one aspect, the building of rockets. Gimbel, a seasoned historian of U.S. policies in postwar Germany, believes that the value of these kinds of "intellectual reparations" was quite high, coming close to Soviet allegations of $10 billion for Anglo-American appropriations. It is a tangled story of legitimate military concerns that turned into specific benefits for individual American companies. A serious subject, illustrated by many specific instances of American "inquiries" that in normal times—and to some Germans and Americans at that time—smacked of industrial espionage.

WELTMACHT WIDER WILLEN. By Christian Hacke. Stuttgart: Klett-Cotta, 1988, 544 pp.

A brief survey of West German foreign policy since World War II, from occupation to the unwilled status of a world power. Hacke, a German political scientist, contrasts the successes abroad with the lack of popular interest in foreign policy. His account ends with Chernobyl, and he emphasizes throughout that, popular indifference notwithstanding, the domestic policies of the Federal Republic have been deeply affected and constrained by external considerations.

LUCKY VICTIM: AN ORDINARY LIFE IN EXTRAORDINARY TIMES, 1933–1946. By Hans A. Schmitt. Baton Rouge: Louisiana State University Press, 1989, 254 pp. $24.95.

The story of a German boy born in 1921 of a Jewish mother and a Christian father. The book traces the boy's years of living alone and in foreign countries, finally ending up in America in 1938 to serve in the U.S. Army and later become an academician. A story at once typical and unique, enriched by occasional footnotes to scholarly works. The title sets the tone of an appealing book.

FROM BOYCOTT TO ANNIHILATION: THE ECONOMIC STRUGGLE OF GERMAN JEWS, 1933–1943. By Avraham Barkai. Hanover (NH): University Press of New England, 1990, 226 pp. $25.00.

A brief, often episodic account of Nazi measures, which proceeded at quite different speeds, and of the Jewish responses. In the beginning of Nazi rule, Jews were encouraged—by various means—to emigrate, but gradually the Nazi state expropriated Jewish property, and ultimately deported those who remained. A rather narrowly conceived study by an

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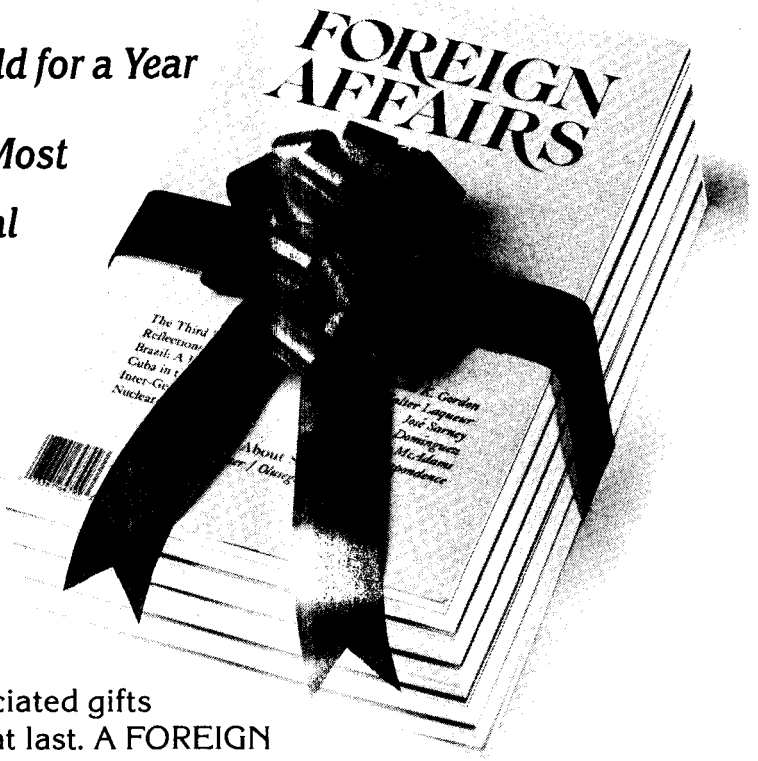

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Israeli scholar, the book portrays some sense of the deceptively slow deterioration of conditions, as well as the complicity of so many Germans during the years of pauperization and deportation.

THE DIVIDING RHINE: POLITICS AND SOCIETY IN CONTEMPORARY FRANCE AND GERMANY. Edited by John Trumpbour. Oxford: Berg, 1989, 208 pp. (New York: St. Martin's, distributor, $44.00).

The first volume of a projected series to focus on trans-European intellectual issues, as opposed to those that are purely national. The volume is a mélange, ranging from indifferent essays about France and the memory of Munich to two perceptive pieces on the German Democratic Republic, written before the East European revolutions but nonetheless useful for understanding a system that collapsed so suddenly. Two splendid pieces by Robert Darnton and Simon Schama on Foucaultist faddishness in present-day historical writing round out this uneven and disconnected collection of essays.

STARS, STRIPES AND ITALIAN TRICOLOR: THE UNITED STATES AND ITALY, 1946–1989. By Leo J. Wollemborg. New York: Praeger, 1990, 320 pp. $44.95.

A longtime American correspondent in Italy, with good connections both there and in the United States, presents a record of American-Italian relations based largely on extensive quotes collected over the years from his newspaper and journal reports. The major focus is on American policy toward the Italian Communist Party and the continuous American opposition to its joining the government. A pleasant, chatty and somewhat complacent work.

SPYMASTER: THE BETRAYAL OF MI5. By William J. West. New York: Wynwood Press, 1990, 320 pp. $18.95.

West drives a few more nails into the coffin of the reputation of Sir Roger Hollis. Most of the material on Burgess, Maclean, Blunt, Philby and Hollis himself is depressingly familiar, but West puts it in a somewhat broader political and historical context than have predecessors on this subject, such as Chapman Pincher. He also alleges that Hollis, who was head of British counterintelligence from 1956 to 1965 (Hollis joined MI5 in 1938), had a concealed association with Claud Cockburn, depicted here not as the amiable left-wing writer known to British society, but as a dangerous Comintern operative. For dedicated mole hunters, amateur and professional.

Lucy Despard

The Soviet Union and Eastern Europe

John C. Campbell

THE AWAKENING OF THE SOVIET UNION. By Geoffrey Hosking. Cambridge: Harvard University Press, 1990, 182 pp. $19.95.

Instead of going into the specifics of Gorbachev's reforms and experiments, Hosking examines the forces of change within Soviet society that were at work before Gorbachev took charge, that are pushing his regime into uncharted waters, and that will determine his success or failure. Originally presented as the 1988 Reith Lectures, later updated and revised,

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the essays illustrate the author's grasp of Russian history and contemporary realities, including Gorbachev's dilemmas. He views the future with both hope and foreboding.

FEDERALISM AND NATIONALISM: THE STRUGGLE FOR REPUBLICAN RIGHTS IN THE U.S.S.R. By Gregory Gleason. Boulder (CO): Westview Press, 1990, 170 pp. $27.50 (paper).

An accurate reading of the current contest over republican rights—including the right of secession—requires a knowledge of Soviet federal development, says the author. He provides it in a constitutional and political study that runs from Lenin to Gorbachev and describes the transformation of an ersatz federal system into new and real balances of power still undergoing change. He stresses the gradual buildup of authority in the local elites and bureaucracies in the union republics, now buttressed by popular movements wholly outside the Communist Party and the traditional order. The book holds no key to the future and may overestimate the adaptability of the system, but it will help one to understand events as they unfold.

CHRONICLE OF A REVOLUTION: A WESTERN-SOVIET INQUIRY INTO PERESTROIKA. Edited by Abraham Brumberg. New York: Pantheon, 1990, 266 pp. $14.95.

As the editor notes in his introduction, not one of the hundreds of Western experts on the Soviet Union foresaw the nature and extent of the Gorbachev revolution, but the eight assembled here give a good assessment of its various aspects. Even more interesting are the comments of ten Soviet contributors, all pro-perestroika in differing ways, who discuss both the Western essays and the revolution itself. Among them are Roy Medvedev, now free to write and publish as he pleases, and Gavril Popov, the new mayor of Moscow.

WESTERN PERCEPTIONS OF SOVIET GOALS: IS TRUST POSSIBLE? Edited by Klaus Gottstein. Frankfurt: Campus Verlag/Boulder (CO): Westview Press, 1990, 455 pp. $47.00.

The second volume in a series stemming from a major project on Soviet and Western perceptions of the goals, trends and policies of the other. Contributors to this volume are mainly German, with a sprinkling of scholars from elsewhere (only one from the Soviet Union). Although some of the papers, which date from a conference in 1987, seem rather stale, much of the material, especially on enduring cultural factors, is relevant.

SOVIET JEWRY AND SOVIET POLICY. By Alfred D. Low. New York: Columbia University Press, 1990, 249 pp. $32.50.

The subject has many angles: the long history of deeply rooted antisemitism in Russia; the role of Jews in the communist movement; the personal views and prejudices of Lenin, Stalin, Khrushchev and other leaders; the Jews in Soviet nationality policy; Zionism and Soviet policies in the Middle East; emigration and the Jewish issue in Soviet-American relations. Alfred Low's survey covers all of these questions, though in some cases just once over lightly. It is nevertheless a solid study, written with knowledge of the facts, understanding and, where called for, controlled indignation.

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GORBACHEV'S NEW THINKING AND THIRD WORLD CONFLICTS. Edited by Jiri Valenta and Frank Cibulka. New Brunswick (NJ): Transaction Books, 1990, 352 pp.

An ambitious attempt to see what place, in theory and practice, the Third World has in Soviet foreign policy since the dispensations of 1985. An all-star cast of authors agrees more or less on what Gorbachev and his cohorts have said and done—indeed, some of it is told several times over—but they have differing views on motives and strategy. Some stress sharp and genuine change in Soviet ideology and policy; others counsel caution. The book has at least three notable merits: it contains a fine overall analysis by Vernon Asparutian; it covers in detail the important but uncertain roles of Moscow's junior partners, Cuba and Vietnam; and it includes among its contributors a number of scholars from Third World countries, including India, Pakistan, Afghanistan, Thailand and Nicaragua.

CRISIS AND PLENTY: THE POLITICS OF SOVIET ENERGY UNDER BREZHNEV AND GORBACHEV. By Thane Gustafson. Princeton: Princeton University Press, 1989, 362 pp. A RAND Study.

This is more than a statistical survey of the state of the Soviet energy industry over the past decade or so, although it is well supplied with technical data. It is a first-rate study in political economy, weighing difficulties that are systemic against those involving choices by leadership, and relating energy policy to the broader question of reform. Under perestroika as under Brezhnevian stagnation, rather than pressing conservation, rationing demand and containing costs, the government has tried to meet an incipient crisis by expanding the supply of hydrocarbons—an enormous increase in gas production has provided the easiest answer without solving any basic problems.

WAR ON WAR: LENIN, THE ZIMMERWALD LEFT, AND THE ORIGINS OF COMMUNIST INTERNATIONALISM. By R. Craig Nation. Durham (NC): Duke University Press, 1990, 313 pp. $45.00.

During World War I those European socialists who opposed the war split unevenly into a moderate wing, which attempted to revive the Second International and work for peace, and a minority left wing, revolutionaries bent on transforming the imperialist war into a class war and social revolution. This well-researched account of these socialists' factional rifts, debates and conferences features Lenin as its hero, along with some of his Bolshevik comrades and other European radicals, many now long forgotten. Their arguments may seem arcane or inconsequential, but they had important results for the world, as they led to the founding in 1919 of the Communist International and confirmed the lasting schism between socialists and communists.

THE END OF THE COLD WAR: EUROPEAN UNITY, SOCIALISM, AND THE SHIFT IN GLOBAL POWER. By Bogdan Denitch. Minneapolis: University of Minnesota Press, 1990, 123 pp.

Denitch, who describes himself as "an engaged democratic socialist" and "critical Marxist," suggests that as central Europe turns from East to West, democratic socialism of the West European variety will become increasingly attractive: after a taste of capitalist chaos East Europeans will turn toward the West European model of the welfare state. Although he deplores their

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rather lackluster style of politics, Denitch says that the social democrats are nevertheless "the best game in town." Social democratic trade unions and parties—above all, the German SPD—stand to gain a windfall from the dissolution of the Soviet bloc coupled with the unification of Europe. It is a plausible prognosis, if not entirely free from wishful thinking, and it is laid out with great intellectual and literary panache. Lucy Despard

THE BLOC THAT FAILED: SOVIET-EAST EUROPEAN RELATIONS IN TRANSITION. By Charles Gati. Bloomington: Indiana University Press, 1990, 236 pp. $25.00 (paper, $10.95).

Having begun this study a couple of years ago, Gati gets the jump on his fellows in describing 1989's unexpected revolutions against the backdrop of the developments of the Gorbachev years and, in summary form, the entire communist period of Eastern Europe. In dealing with the interaction of new winds from the U.S.S.R. since 1985, the defensive instincts and interests of the East European communist regimes and popular pressures for change, Gati gives us excellent analysis and synthesis with, perforce, some guessing where the record is fuzzy. This "cautiously optimistic" look into the future seems insufficiently cautious and unduly optimistic. Nationality conflicts, long the hallmark of politics in this region, are given minimal attention.

LA DÉMOCRATIE SE LÈVE À L'EST: SOCIÉTÉ CIVILE ET COMMUNISM EN EUROPE DE L'EST: POLOGNE ET HONGRIE. By Miklós Molnár. Paris: Presses Universitaires de France, 1990, 387 pp. Fr.180.

Two themes run through Molnár's study of Poland and Hungary in the era of communist rule: the unending struggle between the monopoly party and civil society, and the traditions and characteristics of central European people unassimilable in a Russian or Soviet imperium. These themes are not new, but Molnár's work stands out because of its wealth of illustrative material and its sure touch in interpreting Polish and especially Hungarian events. The narrative is lengthier than necessary on some familiar aspects of the past, such as the nature of Stalinist regimes and how they were established, but even in this there are nuggets not to be missed. The book concludes with the democratic victories of 1989 and mercifully refrains from overblown predictions.

THE NEW EASTERN EUROPE: WESTERN RESPONSES. By J. M. C. Rollo and others. New York: Council on Foreign Relations Press (for The Royal Institute of International Affairs), 1990, 137 pp. $14.95.

THE SOVIET-EAST EUROPEAN RELATIONSHIP IN THE GORBACHEV ERA: THE PROSPECTS FOR ADAPTATION. Edited by Aurel Braun. Boulder (CO): Westview Press, 1990, 249 pp. $29.00.

The Rollo volume is a slim but handy introduction to the daunting economic problems facing Poland, Czechoslovakia, Hungary and the disappearing German Democratic Republic. The suggestions for Western responses are sensible, but necessarily general. The book edited by Braun, which was put together in 1989 prior to the East European upheaval, has good material on the years 1985–88, but the discussion of matters such as the Warsaw Pact and Comecon is full of speculation and couched in terms that soon became irrelevant. There is scarcely a hint that the end of the

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Brezhnev Doctrine, which was evident even then, meant the end of an empire.

THE SOCIALIST REGIMES OF EAST CENTRAL EUROPE: THEIR ESTABLISHMENT AND CONSOLIDATION, 1944–1967. By Jerzy Tomaszewski. New York: Routledge, 1989, 305 pp.

A factual presentation of Eastern Europe's main political events as its nations marched through the phases of "people's democracy," Stalinization ("non-democratic centralism") and then limited de-Stalinization. There is nothing extraordinary about the book, except that it was written before the events of 1989 by a University of Warsaw professor for his own students and other East European readers. Drawing on writings from both West and East, and covering highly controversial issues with a kind of deadpan neutrality, the author played his part in that reexamination of the past that has been so rapidly destroying long-standing official myths in Eastern Europe and the U.S.S.R. itself.

VÁCLAV HAVEL: LIVING IN TRUTH. Edited by Jan Vladislav. London and Boston: Faber and Faber, 1989, 315 pp. $8.95 (paper).
DISTURBING THE PEACE. By Václav Havel. New York: Knopf, 1990, 215 pp. $19.95.

Havel, playwright-philosopher-president, has become a symbol and hero to many beyond the borders of his native Czechoslovakia, whetting interest in his life and his ideas. *Living in Truth* is a compilation of six essays he wrote between 1975 and 1985, including the now classic "Power of the Powerless," plus a number of writings to or about Havel by distinguished contemporaries, among them Samuel Beckett, Milan Kundera and Tom Stoppard. *Disturbing the Peace*, an interchange in which Havel responded at length to questions put by Karel Hvížďala, a Czech journalist then living abroad, constitutes a revealing autobiography. Both books reflect the essence of the man, his honesty and humanity.

THE ROAD TO A FREE ECONOMY: SHIFTING FROM A SOCIALIST SYSTEM: THE EXAMPLE OF HUNGARY. By Janos Kornai. New York: Norton, 1990, 224 pp. $16.95.

A talented and influential Hungarian economist, Kornai presented these recommendations for Hungary's revival in the original Hungarian version of this book, translated here for a worldwide readership. The title echoes Hayek's *The Road to Serfdom*, and the book prescribes strong medicine: free and expand the private sector; check inflation by holding down wages; liquidate state enterprises; promote democratic political change to provide the essential public support for necessary economic change. Half-measures, such as the reforms of 1968 and thereafter, will not work; it has to be all or nothing. The proposals, admittedly controversial, are specifically directed at Hungary but apply to any of the countries emerging from a command economy.

PROBLEMS OF BALKAN SECURITY: SOUTHEASTERN EUROPE IN THE 1990s. Edited by Paul S. Shoup. Washington: Wilson Center Press, 1990, 286 pp. $34.95 (paper, $16.95).

This latest and best survey by a battery of well-seasoned experts puts security in the Balkan region in its new dimensions as the Cold War ebbs.

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Superpower policies and strategies get due attention, but the focus is on the local scene and reemerging threats to security from economic crisis, political breakdown and hypernationalism. The authors look with interest and even anticipation on the revalidation of some old familiar terms, the "Balkan powder keg" and the timeless "Eastern Question."

YUGOSLAVIA: SOCIALISM, DEVELOPMENT AND DEBT. By David A. Dyker. New York: Routledge, 1990, 201 pp. $67.50.
THE REALITY AND THE MYTH. By France Bučar. Antigonish (Nova Scotia): St. Francis Xavier University Press, 1989, 336 pp.

Dyker's book is a history of the Yugoslav economy and official economic theories and policies from World War II to the present, replete with statistics and keen in its observations and criticism. He holds out little hope for successful economic reform without basic political change. *The Reality and the Myth* is a general treatise on the communist system and its inability to adapt to reality without giving up its essence, the monopoly of power. The argument is familiar but the illustrations taken from the Yugoslav experience—with special attention to the myths of "socialist self-management" and the nationalities question—are particularly interesting. The author is a Slovene who previously held public office in Yugoslavia.

MOSCOW AND GREEK COMMUNISM, 1944–1949. By Peter J. Stavrakis. Ithaca (NY): Cornell University Press, 1989, 243 pp. $28.95.

This is the best attempt yet at penetrating the mysteries of Soviet policy in Greece during the tangle of local politics, Balkan rivalries and great-power strategies that marked the closing phases of World War II and the opening phases of the Cold War. Using Greek communist sources to supplement recently opened British and American documents, plus all available memoirs, Stavrakis constructs a very plausible account of what Stalin was up to at each stage of the on-again, off-again civil war. The primary Soviet material is of course unavailable and there remain areas of uncertainty—the Stalin-Tito relationship or the place of the Slav-Macedonian movement in northern Greece in the calculations of various players—questions the author fills in rather too confidently with firm conclusions. But the book stands as a fine work of research.

The Middle East

John C. Campbell

EVERY SPY A PRINCE: THE COMPLETE HISTORY OF ISRAEL'S INTELLIGENCE COMMUNITY. By Dan Ravin and Yossi Melman. Boston: Houghton Mifflin, 1990, 450 pp. $22.95.

Written by two Israeli journalists, this history is neither complete nor based on primary sources (which necessarily remain secret), but it is investigative journalism of the first rank. It gives the most expansive account yet of the Mossad, its leading personalities (both spymasters and spies), striking exploits and bumbling failures since independence. If the narrative has gaps, it also has revelations as it runs through cases such as the Lavon affair, the nuclear program, the assassinations of Arab enemies, the rescue of Ethiopian Jews, the Pollard embarrassment and Irangate. Neither a whitewashing nor an indictment, the book shows how well, on

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most but not all occasions, the intelligence agencies have served Israeli interests.

A NEW ISRAEL: DEMOCRACY IN CRISIS, 1973–1988. By Bernard Avishai. New York: Ticknor & Fields, 1990, 420 pp. $22.95.

The "new" Israel came into being with the trauma of the Yom Kippur War, the self-destruction of Labor Zionism and the coming to power of Menachem Begin and the Likud. These essays, a running critique of Israeli politics and a commentary on the Arab-Israeli conflict written for *The New York Review of Books* and other publications, were new at one time but are now mainly of interest only in measuring the author's judgments against what has happened since. His introduction, while continuing the critique, revises some earlier conclusions and raises questions that Israel's leaders and the American Jewish establishment have declined to face.

INTIFADA: PALESTINE AT THE CROSSROADS. Edited by Jamal R. Nassar and Roger Heacock. New York: Praeger, 1990, 347 pp. $55.00.

The theme is the struggle for Palestinian national liberation from "colonial" rule, of which the uprising since December 1987 is seen as the latest and most powerful phase. Most of the contributors are professionals in the occupied territories (in sociology, economics, political science, public health, etc.), and they write as scholars and firsthand observers as well as supporters of the intifada. There is much interesting material on the respective roles of villagers, urban workers, the merchant class and Palestinian women, as well as on the competing secular and Islamic wings of the nationalist movement.

CULTURE AND CONFLICT IN EGYPTIAN-ISRAELI RELATIONS: A DIALOGUE OF THE DEAF. By Raymond Cohen. Bloomington: Indiana University Press, 1990, 208 pp. $27.50.

The author's theme is that cultural incompatibility underlies the failure of Israel and Egypt to develop friendly and cooperative relations even after their peace treaty. He illustrates his argument with well-chosen examples of abortive proposals for negotiations, misunderstandings of motives, miscalculations of the effects of one side's moves on the other, and deep-seated obstacles inherent in the traditions of the two peoples. He argues the case brilliantly, showing the need to revise conventional thinking on many past episodes in the bilateral relationship. In attacking the "myths" on both sides, however, he inevitably downplays the real conflicts of interest that are more than the product of differing cultures and casts of mind.

KUWAIT'S FOREIGN POLICY: CITY-STATE IN WORLD POLITICS. By Abdul-Reda Assiri. Boulder (CO): Westview Press, 1990, 193 pp. $31.50.

A Kuwaiti scholar surveys his country's policies since independence, with emphasis on the need for both flexible diplomacy and extra-regional, great-power support in times of crisis in order to survive amid larger and stronger neighbors. Bland but not superficial, the book catches the essence of the dangers and dilemmas facing Kuwait and gives a straightforward, documented account of the country's success in meeting them. There is no comparable systematic work available in a Western language.

SOVIET STRATEGY IN THE MIDDLE EAST. By George W. Breslauer and others. Boston: Unwin Hyman, 1990, 320 pp.

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By matching Soviet official and academic writings with the record of Soviet conduct over the past decades, especially in periods of crisis, Breslauer and his colleagues have brought Western analysis of Soviet aims in the Middle East to a new level of sophistication and accuracy, although the area of the unknown is still considerable. The general strategy may be obvious: the problems come with the tactics. Dennis Ross' detailed studies of Soviet policy in the Lebanese imbroglio and in the Iran-Iraq War, highlighting the calculus of risks and opportunities and paying little heed to communist ideology, are particularly impressive.

NEITHER EAST NOR WEST: IRAN, THE SOVIET UNION, AND THE UNITED STATES. Edited by Nikki R. Keddie and Mark Gasiorowski. New Haven: Yale University Press, 1990, 295 pp. $39.00 (paper, $13.95).

The contributing authors, heavyweights in Iranian studies, international relations or both, have done more than draw on their past works or peddle pet theories. They have taken the trouble to dig out new facts and to subject many generally accepted versions of American and Soviet policy to extensive and often sharp criticism. A stimulating and valuable book.

LIBERAL NATIONALISM IN IRAN: THE FAILURE OF A MOVEMENT. By Sussan Siavoshi. Boulder (CO): Westview Press, 1990, 214 pp. $24.50 (paper).

Not only those Western political leaders who put their faith in the shah, but also the Western academic experts who had high hopes for the middle class, liberal nationalists who opposed him, were left holding the bag by the actual course of the Iranian Revolution. Without retelling the story of the revolution the author concentrates on seeking the reason why the liberals failed so badly. In doing so a great deal is explained about the conflicting and interacting forces of religion, nationalism, liberalism and socialism in Iranian politics before and after the fall of the shah, and in both internal and external dimensions. A superior monograph.

TOWARD AN ISLAMIC REFORMATION: CIVIL LIBERTIES, HUMAN RIGHTS, AND INTERNATIONAL LAW. By Abdullahi Ahmed An-Na'im. Syracuse (NY): Syracuse University Press, 1990, 272 pp. $29.95.

After the revolutionary events in Iran and the fundamentalist revival in many parts of the Islamic world, few would maintain that a juridical and philosophical treatise on Islamic law has little relevance to world politics and international relations. A Sudanese scholar and jurist, An-Na'im seeks a reinterpretation of the traditional law that, by eschewing secularism and fundamentalism, would reconcile it with both the demands of modern life and with international law, including self-determination and human rights. The message could have great political importance but, as the author says, the task "is enormous and exceedingly delicate."

Asia and the Pacific

Donald S. Zagoria

THAILAND AND THE UNITED STATES: DEVELOPMENT, SECURITY, AND FOREIGN AID. By Robert J. Muscat. New York: Columbia University Press, 1990, 367 pp. $40.00.

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This important book comes at a time when the U.S. Congress is considering some of the first significant changes in aid legislation since 1973; it deserves to be read by all officials involved in revising that legislation. The author, formerly chief economist for the Agency for International Development, has written a balanced empirical case study of the impact of the U.S. aid program to Thailand. The program's most important success, Muscat points out, was in helping the Thais to develop the institutions essential to economic development. These included at least 13 major educational institutions as well as 29 key bureaus and departments in the Thai government, plus a number of private organizations such as the Institute of Population Studies, the Industrial Finance Corporation and the Institute of Management Education. Beyond its success in documenting the effectiveness as well as the weaknesses of the U.S. aid program, the volume also provides a thorough study of the past 40 years of Thai-U.S. relations.

CHINA'S CRISIS: DILEMMAS OF REFORM AND PROSPECTS FOR DEMOCRACY. By Andrew J. Nathan. New York: Columbia University Press, 1990, 242 pp. $24.50.

This collection of essays, written by the author over the past 15 years, explores the roots of China's recent crisis and the prospects for establishing a genuinely democratic system. The author is cautiously optimistic. He foresees a weak post-Deng regime, seeking to democratize under the pressures of economic stagnation and popular dissatisfaction, and aided by a unified army to guarantee stability. The Chinese Communist Party, he says, will preside over this democratic transition, and a factionalized opposition will emerge from existing satellite parties. Finally, the tug-of-war between the central government and the provinces (some as big as European states) will continue, the center weakening as the provinces prosper. This is one plausible scenario for the future; pessimists could devise others.

FRIENDS AND ENEMIES: THE UNITED STATES, CHINA AND THE SOVIET UNION, 1948–1972. By Gordon H. Chang. Stanford: Stanford University Press, 1990, 383 pp. $25.00.

This is a well-documented study of U.S. policy debates about China during nearly two decades of hostility and nonrecognition in the 1950s and 1960s. It enriches our understanding of the ways in which U.S. leaders over many years tried to exploit the differences between China and the Soviet Union.

CHINA RISING: THE MEANING OF TIANANMEN. By Lee Feigon. Chicago: Ivan R. Dee, 1990, 269 pp. $19.95.

What gives special significance to this eyewitness account of the events leading up to the Tiananmen massacre is the fact that the author, a China historian from Colby College, places the democracy movement in historical perspective. He is not particularly sanguine about the future. He holds that the Chinese communist bureaucracy is determined to retain power and may well be able to do so for a very long time.

CRISIS AT TIANANMEN: REFORM AND REALITY IN MODERN CHINA. By Yi Mu and Mark V. Thompson. San Francisco: China Books, 1990, 283 pp. $14.95 (paper).

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This intelligent account of the Chinese democracy movement attributes the growing popular dissatisfaction during the spring of 1989 to a complicated mixture of successes and failures in implementing reform: success in tolerating increased criticism of the party, but failure to allow criticism to be taken to its logical conclusion—greater freedom of press and speech; success in raising the standard of living and in initiating a market economy, but failure to maintain that standard and to check abuses such as profiteering. The book also argues that while there was, and is, much popular anger directed at the regime, most Chinese still have hope in the communist government because they feel there is simply no alternative. The appendices contain a number of documents and speeches not available elsewhere.

A HIGHER KIND OF LOYALTY. By Liu Binyan. New York: Pantheon, 1990, 294 pp. $22.95.

Liu Binyan's autobiography is the poignant story of a journalist who made the mistake of trying to tell the truth in Mao's China. For a while he was the most admired investigative reporter in the country. But he was purged in the Anti-Rightist Campaign in 1957, rehabilitated in 1979 after 21 years in internal exile, and purged again in 1987. He now lives in the United States. In this book he provides the fascinating details of a society in which an idealistic dream to build a freer and more just China was perverted by an all-powerful bureaucracy that could not tolerate a free press.

CONFLICTING IMAGES: INDIA AND THE UNITED STATES. Edited by Sulochana Raghavana Glazer and Nathan Glazer. Glenn Dale (MD): Riverdale, 1990, 307 pp. $45.00.

This collection of essays by 13 scholars deals with the surprisingly emotionally weighted perceptions that Americans and Indians have of each other. The highlight of the volume is the introduction by Nathan Glazer, who concludes on an optimisitic note. The reduction of the U.S. presence in India, the growth of the Indian middle class and the links between India and the United States being formed by America's growing Indian immigrant community will create a "less hallucinating" vision of the United States in the Indian mind. On the U.S. side, when India is no longer seen as dependent on U.S. aid and as Americans become more aware of Indians as entrepreneurs, as professionals and as fellow Americans, their own view of India will change. In turn, these more positive images will reinforce each other.

Africa

Gail M. Gerhart

A HISTORY OF SOUTH AFRICA. By Leonard Thompson. New Haven: Yale University Press, 1990, 288 pp. $29.95.

To select, record and interpret the "facts" of South African history has always been a peculiarly political undertaking. Today the historian of South Africa risks drawing fire from several well-armed intellectual camps, but is also presented by history itself with an opportunity to contribute to an emergent post-apartheid national identity. In this concise but rich new

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text, South Africa's most eminent emigré historian draws on the findings of both radical and liberal scholarship of the 1970s and 1980s, and strikes an appealing balance in his interpretation of the strengths, vulnerabilities, intentions and perspectives of contending interests—race, class, culture and gender—that have vied over the years for a place in South Africa's sun. This is a work of insight and durability that is certain to assist South Africa's coming generation of nation-builders to reach a more objective understanding of their past.

THE MIND OF SOUTH AFRICA. By Allister Sparks. New York: Knopf, 1990, 424 pp. $24.95.

The distinguished former editor of the liberal *Rand Daily Mail* attempts to cover "the full complexity of South Africa's long racial conflict, looking into the forces of history and culture and circumstances." Although one may cavil at unqualified generalizations in this episodic and fascinating survey, Sparks largely succeeds in what is now the most illuminating book on South Africa available to the general reader. Unlike many of his fellow liberals he has risked "the leap of faith involved in committing oneself to the principle of majority rule." He writes with optimism, emphasizing African values of communalism and the strength of nonracialism in protest politics, and concluding with the prediction that "the year 2000 will see the birth of a new nonracial South Africa." Thomas G. Karis

SOUTH AFRICA'S WAR AGAINST CAPITALISM. By Walter E. Williams. New York: Praeger, 1989, 159 pp. $19.95.

South Africa needs to "declare war against centralized government power" and embrace the unfettered operation of laissez-faire capitalism if it is to prosper in the post-apartheid era, according to this study by a black American economist. The author, who has boarded the bandwagon set in motion by Leon Louw of South Africa's Free Market Foundation, argues that Americans must not be taken in by the simplistic view that holds the capitalist system accountable for the injustices of apartheid. His careful but highly selective presentation of the evidence may stimulate some useful debate, but it falls short of supporting the weight of its own too sweeping conclusions. True believers may be convinced, but most readers will glean more wisdom from Merle Lipton's *Capitalism and Apartheid* or Stephen R. Lewis' *The Economics of Apartheid.*

SAMORA MACHEL: A BIOGRAPHY. By Iain Christie. London: Zed Press, 1989, 181 pp. $49.95.

There is little consideration of the shortcomings of Mozambique's revolutionary hero in this book, and much that borders on adulation. Nevertheless the author, a British journalist residing in Maputo since 1975, has produced an informative biography of Machel, who trained as a male nurse in the Portuguese colonial era, rose to become FRELIMO's military chief and in 1970 succeeded the assassinated Eduardo Mondlane as the party's president. Machel's 11 years as leader of independent Mozambique were bedeviled by the Pretoria-sponsored rebel movement RENAMO, and ended in 1986 in a mysterious plane crash in South Africa. Despite Machel's inability to withstand the coercive might of the apartheid state, his achievements were considerable; he helped lay the foundations for a

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nonracial society in Mozambique, as well as bring majority-rule governments to power in Zimbabwe and Portugal.

SUB-SAHARAN AFRICA: FROM CRISIS TO SUSTAINABLE GROWTH. The World Bank. Washington: International Bank for Reconstruction/World Bank, 1989, 300 pp. $19.95.

The bank's periodic overview of how Africa is doing constitutes the best source of statistical information on the continent and an excellent barometer of current thinking, both by donors and development economists. Reiterating the emphasis of previous reports on agricultural productivity, the focus here is on developing human skills and effort. Thus the bank's staple prescription for liberalization now aims at freeing individual initiative at the grass-roots level and upward. Structural adjustment programs are now enjoined from impairing welfare or training programs. Finally, better governance is explicitly defined to include more democracy. An extremely useful source. Jennifer Whitaker

DENYING "THE HONOR OF LIVING": SUDAN, A HUMAN RIGHTS DISASTER. An Africa Watch Report. New York: Africa Watch, 1990, 172 pp.

After a coup backed by Islamic fundamentalists ousted the civilian government of Sadiq al-Mahdi in June 1989, Sudan's improving human rights record was disastrously reversed by a military regime that Africa Watch characterizes as "exceptionally cruel and intolerant." This detailed report catalogues gross violations of due process, vicious repression of dissent, systematic slaughter and starvation of civilians in the ongoing civil war, abuse of captives and the reemergence of de facto slavery in parts of southern Sudan. Blame for the deteriorating conditions is attributed to the government of Lieutenant General Omer al-Bashir and, *inter alia*, to the Bush administration, which has treated human rights abuses in Sudan as a matter of little importance.

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